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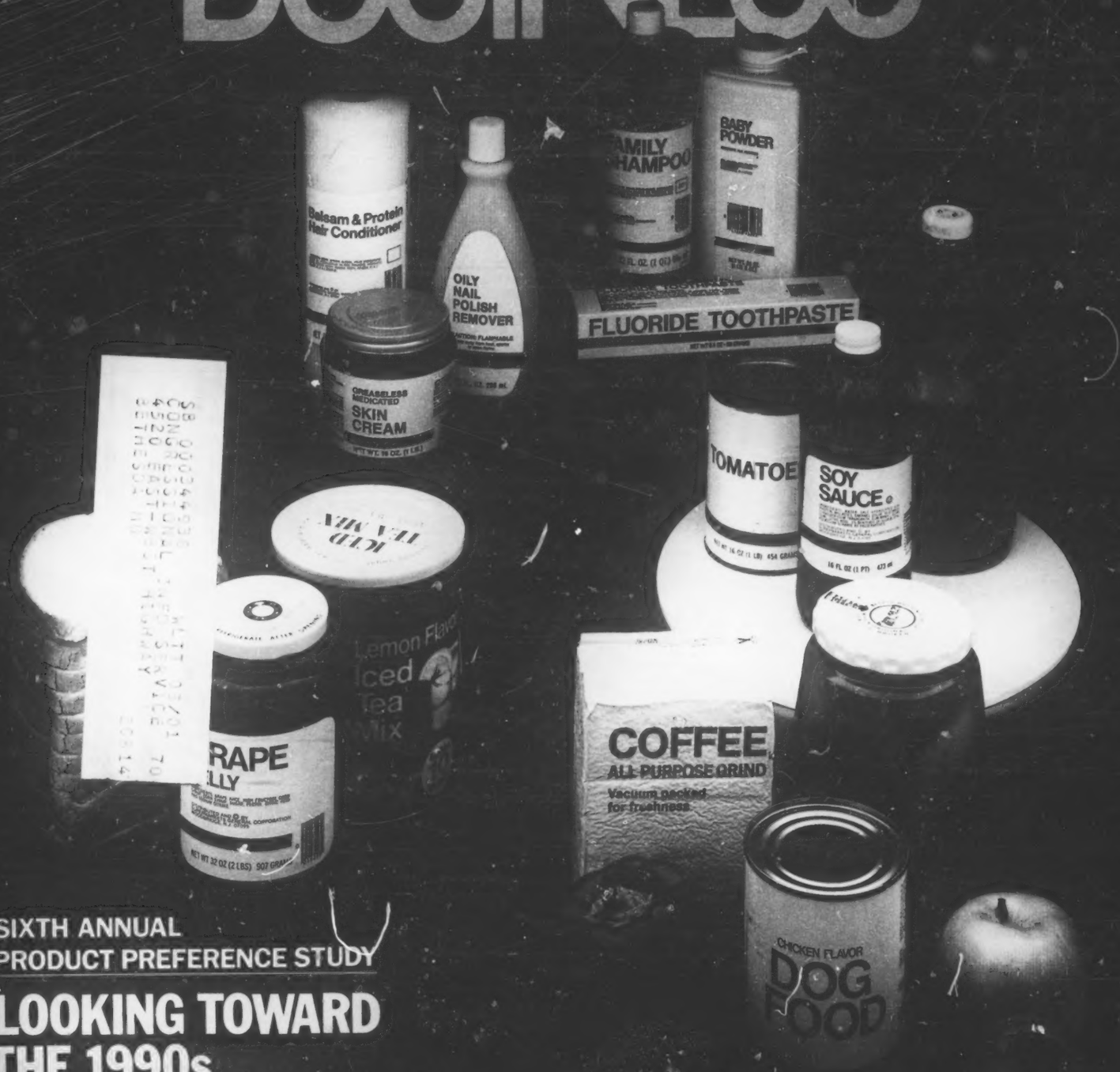

SIXTH ANNUAL
PRODUCT PREFERENCE STUDY

LOOKING TOWARD THE 1990s

IN 2001, WHO WILL DELIVER THE GROCERIES?

SUPERMARKET BUSINESS

MARCH 1989 VOLUME 44/NUMBER 3

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EDITOR'S VIEW

EDITOR-IN-CHIEF:
Kenneth P. Partch

MANAGING EDITOR:
Peter Easton

SENIOR EDITOR/RESEARCH:
David Litwak

SENIOR EDITORS:
Amy Lipton
Mike Duff

ASSISTANT EDITOR:
Lauren Leicold

EDITORIAL ASSISTANT:
Danielle Jean-Charles

CONSULTING ART DIRECTOR:
Joe Davis

ART ASSOCIATE:
Manuel F. Vila, Jr.

CONTRIBUTING EDITORS:
Produce: **Barney H. McClure**
Meat: **Ken Johnson**
Food Prep: **Elaine Reader**
Technology: **Richard Shulman**
Store Planning: **David Rogers**
Washington: **John Eastin**
GMHBA: **Francis Willmes**

ASSOCIATE PUBLISHER:
Carol Fenehan

CIRCULATION MANAGER:
Barbara Kummer

PRODUCTION DIRECTOR:
Gregg Weatherby

RESEARCH DIRECTOR:
David Litwak

ADVERTISING SALES:

REGIONAL SALES MANAGERS:
Thomas Dean
Dan Rocco

SALES DEVELOPMENT MANAGER:
Janet Isenberg

MARKETING MANAGER:
Janet Torres Cepeda

Fieldmark Media
25 W. 43rd Street, Suite 707
New York, N.Y. 10036

CHICAGO:
VICE PRESIDENT, NATIONAL ACCOUNTS:
Dave Wishard

REGIONAL SALES MANAGER:
John Sonderegger

Fieldmark Media
7366 N. Lincoln
Lincolnwood, Ill. 60646
312-673-6737

WEST COAST:
Sue Marrill

Fieldmark Media
16133 Ventura Blvd., Suite 1270
Encino, Calif. 91436
818-783-5888

FIELDMARK MEDIA
25 W. 43rd Street, Suite 707
New York, N.Y. 10036
212-354-5169

PRESIDENT AND PUBLISHER:
Jeffrey A. Schaeffer

VICE PRESIDENT, ADMINISTRATION:
Catherine Cahill

VICE PRESIDENT:
Carol Fenehan

CORPORATE OFFICERS
SOSLAND PUBLISHING COMPANY
CHAIRMAN:
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TREASURER:
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By Ken Partch, Editor-in-Chief

To Questionable New Products, Just Say No

On *Newsweek*'s "Periscope" page there is a feature that runs regularly called "Conventional-Wisdom Watch." It carries a list of hot topics with accompanying arrows that indicate which way the CW on a particular hot topic is headed— up, down or sidewise.

I am thinking of starting such a department for SUPERMARKET BUSINESS, what with all the public attention supermarkets are getting of late on everything from solid waste to insecticides to slotting allowances.

Imagine, just a few years ago, finding yourself watching an interview on the subject of slotting allowances on the *Today Show*? Any day now, we can expect a CNN Larry King evening debate on what the coupon handling cost should be and how it affects consumers.

Speaking of slotting allowances, as I have been wont to do from time to time, recently I found myself in agreement (almost) with Bob Wunderle of Supermarkets General (Pathmark), for what is probably the first time, as I recall. Where I am almost in agreement is on his telling *The Record* (Bergen County, N.J.) that grocery manufacturers were "duplicitous" about slotting allowances.

"They started it," said Wunderle, "then they complain they wish they didn't have to pay it." I regret having to employ an indirect quote, but Bob rarely speaks to the trade press, although his title does include public affairs, I believe.

As I say, we tend to agree in the story, back about where Bob says manufacturers are "duplicitous about it [slotting allowances]," but we soon begin to travel different forks in the road. That's where he says, "If their item really is the greatest thing since sliced bread, customer demand will keep it on the shelves." But how, if the product never got on the shelf in the first place? I guess he means if it got on somebody else's shelf and became so hot that Pathmark had to have it, too. That used to be the marketing philosophy of some well-known big chains that are either no longer with us or are now under new management.

Bob and I intersect again farther down the road, where he says, "We ask for it, and if we can get it, we want it. But that's not where we make our money. We make profits by selling goods that consumers demand." I'll avoid any possible legal questions in that paragraph, and applaud the part about "selling goods that consumers demand."

> What ever became of buying committees? What do buyers ask these days: 'What's the track record?' Or, 'What's the deal?'

But getting back to the conventional wisdom aspects of slotting allowances, which I so sneakily introduced in the early part of this essay, the CW of slotting allowance rationale was first enunciated to my knowledge during that *Today Show* back in early January. To wit: Supermarkets have to charge slotting allowances because manufacturers are introducing too many new products that have not been market tested.

Well, now. I am often wont to talk back to TV talk shows even though I know they can't hear me. I was especially eager to talk back to this talk show for two reasons: One, I was interviewed for approximately one-half hour about this issue by *Today Show* staff people. I was asked if I would appear on the show, but was never invited. Two, the next obvious question was never asked: Does that part about new products not being market tested imply that if the manufacturer *does* the market research, and it is favorable, that he doesn't pay the slotting allowance? (Perhaps that's why I wasn't invited.) Bryant Gumbel, the host, is a nice guy, and may know something about sports, but— as we say in New York—a maven on supermarket trade practices, he ain't.

Going back to the story in *The Record*, Jack Cergol of Food Marketing Institute is also quoted. Jack tells us that some 10,000 new products were introduced in 1987, more than four times the amount produced five years ago. Jack also goes on to say: "Manufacturers are trying to dump these new products, letting them live or die on the shelf. They aren't doing any test marketing or research. Retailers shouldn't have to pay for that."

Right enough. But Jack raises a different conundrum—a question having only a conjectural answer, a riddle, a mystery, possibly a canard. I am beginning to hear it more and more frequently, but in slightly altered form than the original. It is: "More than 90 percent of new products fail and are removed from the shelves within months."

The question, the riddle, the mystery is: Where does that statement originate? Is that based on *FMI* research, Jack? Or is that the old "Eight out of ten new products fail," statement, quoted without attribution in almost every speech on the subject for the last 30 years, at least? Eighty percent might be close enough to Jack's 90 percent (the current CW).

Continued on page 8

EDITOR'S VIEW

Just Say No

Continued from page 5

Somewhere back in the now dimming past, I remember tracing that statement to the only source I could find. It came from a packaging and label designer of some stature, at the time. The time is dim, but the author stands out in limned clarity. It was the late packaging guru, Louis Cheskin, inventor of such phrases as "the package as salesman," and "brand image." As near as I could ever find out, he made that statement purely out of the conventional wisdom of the time. Cheskin offered no attribution either. He didn't have to. He was his own source. Yet, it still lives, updated to allow for inflation.

But the real conundrum, the real mystery is: Why do supermarkets allow themselves to be overwhelmed with questionable new products? To questionable new products, without supporting market research, why don't buyers just say: No!

Isn't that supposedly what buyers get paid for? Isn't the retailer supposed to be the buying agent for the consumer? Why should the consumer have to choose among all the thousands of untested and unannounced new products to find a good one? What ever became of buying committees? What do buyers ask these days: "What's the track record?" Or, "What's the deal?" The next time you are offered a questionable new product, just say: No! Look at all the problems, nay addictions, you can avoid. ■

New Product Introductions Drop 5.6 Percent, Study Says

The number of new packaged goods introduced to the U.S. market in 1988 decreased 5.6 percent from the record high it hit in 1987. About 70 percent of all new items were line extensions rather than new brands or brand extensions.

These are the findings from Productscan, a computerized product database from Marketing Intelligence Service Ltd. (Naples, N.Y.). The number of new packaged goods dropped from more than 6,000 in 1987 to fewer than 5,700 last year.

But even as marketers begin limiting item introductions, the industry continues to struggle for new-product space, according to Marketing Intelligence president Richard Lawrence.

Of the 5,697 new products that appeared last year, about 26 percent were new brands, and less than three percent were brand extensions. The vast majority of new items—more than 70 percent—were new sizes, flavors and varieties of existing product lines.

Line extensions generally are less risky—and less expensive—for suppliers, although overuse of a product name can be harmful, according to Janet Mansfield, manager of the company's Information Analysis Center.

Large companies increased their share of new food products from less than 18 percent in 1987 to nearly 21 percent in 1988. They also accounted for more than 24 percent of new health and beauty aids last year, over their 20 percent claim of new HBA the previous year. Large suppliers lost ground when it came to new household products, however, dropping from nearly 33 percent to almost 29 percent of that market.

Innovation among new products declined, according to the report.

'88 Mergers, Acquisitions Rose Nearly Nine Percent, Food Institute Finds

The number of mergers and acquisitions in the food industry totaled 652 in 1988, an 8.8 percent increase over the 599 tally in 1987, according to the Food Institute (Fair Lawn, N.J.).

Year	Transactions	% Change
1985	658	+ 12.9
1986	724	+ 10.0
1987	599	-17.3
1988	652	+ 8.8

Significant gains in the number of mergers and acquisitions were posted in several categories, including diversified food processing firms (136 in 1988 compared with 110 in 1987); restaurant and foodservice companies (74 vs. 63); supermarket companies (42 vs. 34); foodservice vendors (31 vs. 26); bakers (27 vs. 15); meat packers (14 vs. 9); confectioners (12 vs. 6); and snack food processors (12 vs. 3).

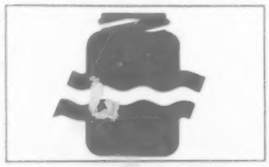
Consolidation among retail chains included American Stores' acquisition of Lucky Stores, the Vons Companies' takeover of Safeway's Southern California division and A&P's purchase of Borman's.

Other activity on the retail front last year included leveraged buyouts at Stop & Shop, Cullum Cos., Grand Union and Farm Fresh. In addition, the Food Institute notes, The Kroger Co. has been undergoing a major restructuring, and operations at Safeway and Southland are changing as a result of previous buyouts.

At the supplier level, the takeover of RJR Nabisco by Kohlberg, Kravis, Roberts & Co. for a record $25 billion will necessitate divestiture by KKR of some competitive divisions of RJR Nabisco or Beatrice/Hunt Wesson, the takeover specialists' 1986 coup.

New Microwave Symbol Developed For Glass Containers

Retailers—and consumers—can expect to see more of this symbol in the future. A recent creation of the Glass Packaging Institute



(Washington), it's designed to denote microwavable foods packaged in glass containers.

The symbol, an open jar with microwaves running through the center, will "communicate the premium position of glass and the convenience of the microwave," according to GPI president Lewis Andrews Jr. Consumers prefer glass over other types of packaging for microwavable products, according to a recent National Family Opinion poll.

The new microwave symbol is being distributed in camera-ready form to food processors nationwide. Its addition to product labels will increase consumer recognition and purchases of glass-packaged microwavables, according to GPI. The symbol is not copyrighted, and its usage is not intended to signify the Institute's endorsement of any product.

Repeal Of Tax Code's 'Section 89' Asked

Rep. John J. LaFalce (D-N.Y.) has introduced legislation that would relieve supermarket chains and other employers of a complex new data-gathering tax code requirement.

LaFalce's bill would repeal "Section 89" of the tax code, which was enacted as part of last year's revenue bill. The new provision, which took effect earlier this year, requires employers to "test" their employee benefits plan for possible discrimination in favor of top executives and other "highly compensated employees."

If fringe benefit discrimination is uncovered, the employer is required to report it to the Internal Revenue Service, which would, in turn, tax the high-level employees on the excess benefits. Penalties are set up for employers who fail to report discrepancies.

The New York Democrat has the support of more than 30 business groups.

In a recent letter to Congress, the group condemned the law's "web of administrative requirements which ... exceed the capabilities of many employers."

Adding to the opposition to this new provision is the failure of the IRS to clarify the reporting requirements. Although the law took effect on January 1, the tax service has yet to issue regulations interpreting and implementing the rules.

The LaFalce repeal legislation was introduced as Congress was already considering a proposal by Rep. Philip Crane (R-Ill.) to reevaluate the controversial Section 89 provision. Crane took a less drastic approach, calling for a one-year delay in implementing the new law.

LOOKING TOWARD THE 1990s

What's heating up, What's cooling off

Here come the '90s—inducing a seismic tilt in the age profile of America. This means good news for many product categories—but bad news for others. This exclusive SUPERMARKET BUSINESS forecast separates hot from cold.

Ours is an era in which some age categories will realize the most marked demographic changes in our history. Some age categories will decrease significantly; others will expand. The result will be an increasing pressure on businesses to adjust their market focus.

—William Lazer,
Florida Atlantic University

PREPARED BY
ROBERT DIETRICH

No business will feel more pressure from, or have greater need to be alert to, these trends than the supermarket business.

What's more, these changes are at our door now, ready to transform the supermarket customer base between now and the year 2000. Some indicators of the convulsive dimensions of these changes:

- The young adult population segment that has so long enamored marketers will actually shrink in numbers, as 18-to-24s decrease by 8.2% between 1988 and 2000, and 25-to-34s drop by 16.2%.
- As aging Baby Boomers swell their ranks, adults 45 to 54 will increase by an astounding 54.6%.
- Seniors will grow by 14.4%, an above-average rate that presages their real tidal wave starting in 2011 (again, thanks to the Boomers).

Thus, over the relatively short course of a decade, the profile of the supermarket customer will undergo significant alteration, changing that customer's needs and tastes to a degree that requires thoughtful accommodation in how stores are stocked and merchandised.

A new looking glass

To set a framework for this accommodation, SUPERMARKET BUSINESS is devoting 22 pages in this issue to this special report, "What's Heating Up, What's Cooling Off," to forecast expected changes in demand patterns for 364 product categories.

This report is the first of its kind to interlace two massive sets of data on the U.S. population to arrive at this type of forecast.

The sources of these data are (1) the U.S. Bureau of Census, which compiles population forecasts, and (2) Mediamark Research Inc., whose syndicated research data are the largest source of consumer product usage data (see page 35).

By combining these databases, we are able to forecast each category's user base in the years 1995 and 2000 on the basis of (1) the proportion of a given age group that uses that category today, and (2) the growth in total members of each age group in the future.

The results of these projections are detailed in 15 pages of tables arranged by store depart-

NOTE TO READERS

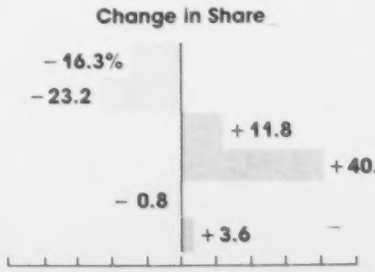
The MRI data presented in this report are under copyright by Mediamark Research Inc. and are presented here with its permission.

In this study SUPERMARKET BUSINESS has projected Mediamark Research Inc. usage-by-age relationships to Census Bureau population projections by age, thereby projecting current users to future users. But SUPERMARKET BUSINESS emphasizes that other present and future buying motivations (such as growing fears about too much sunshine) cannot be taken into account by any study based on traditional age-related and historic buying patterns.

CHANGES IN AGE DISTRIBUTION OF ADULTS

	1988	2000
18-24	14.7%	12.3%
25-34	23.9	18.2
35-44	19.5	21.8
45-54	13.2	18.5
55-64	11.9	11.8
65 and over	16.8	17.4

Source: U.S. Bureau of Census



The 82 million Americans born between 1946 and 1965—universally called Baby Boomers—have been a toothsome target for retailers through their babyhood, childhood, adolescence and right into adulthood (which the oldest first entered in 1964 and the youngest in 1983). By 2000 even the youngest will be over 35, so they will have slowed their buying of products that younger adults (18-to-34) favor and switched their purchasing power to products that middle-aged (35-to-54) adults covet. Just how severe this dislocation will be is suggested by this chart.

CHANGES IN POPULATION (000)

	1988	1995	2000
Adults	181,660	192,427	200,567
Change from 1988		+5.9%	+10.4%
Men	86,838	92,027	96,012
Change from 1988		+6.0%	+10.6%
Women	94,822	100,404	104,556
Change from 1988		+5.9%	+10.3%
Female Homemakers	79,236	85,258	88,824
Change from 1988		+7.6%	+12.1%

Source: U.S. Bureau of Census

The total U.S. population on July 1, 1988, the base point for this report, was 245.3 million. Of these, 74.1% were adults aged 18 or over, qualifying them for our interest as potential supermarket shoppers.

The Bureau of Census predicts that the number of adults will grow by 5.9% between 1988 and 1995 and by 10.4% between 1988 and 2000. By 2000, however, the seed of a trend that will continue to influence us over the next several decades will start to sprout, as the proportion of adults in the population grows by almost a full percentage point to 74.9%.

Even more significant than the shrinking of the kiddie factor is the dynamic realignment of age groups within the adult sector.

ment (see Index, page 40). Within each department, the various categories are arranged in order of their *relative* projected growth rates in users between 1988 and 2000.

Expectedly, categories favored most by younger adults trail those who depend more on over-35 users for their strength. But the implications run deeper for supermarket operators engaged in working up plans for the future. (See "Fasten Your Managerial Seatbelt" on page 36 for some guidelines on implementing the forecasts in this report.)

Need to know

Interest on the part of supermarket operators in demographics and demographic forecasts isn't a complete novelty, of course. Site selection studies have included these disciplines for years. And more recently, innovative retailers like Vons have used them to inaugurate stores that are "demographically formatted" like Tianguis (Hispanic) and Pavilions (upscale) in the Los Angeles market.

As the population ages, gerontophobia's traditional tight hold on the American psyche may be about to loosen up, if there's such a thing as intimidation in numbers. Some examples:

- "The Golden Girls" and "Murder, She Wrote" have maintained their footing near the top of the weekly Nielsens for several seasons after breaking the taboo against non-nubile leads.
- A survey by Opinion Research Corp. for the Motion Picture Association of America shows that the incidence c ticket buyers over age 40 rose from 14.2% in 1985 to 22.2% in late 1988. Increasingly mature audiences are likely to be offered more "Rain Man" and less "Pee Wee Herman."
- Advertising, too, seems to be in on the secret that grownups buy products, too. "Pepsi Spirit" commercials, according to Ken Dychtwald's new book *Age Wave*, have expanded the Pepsi Generation from the group between 15 and 25 and expanded it to one that stretches from 15 to 75.

There's still some reluctance, however, to give the more mature consumer full attention because many believe that (a) they don't have much money to spend and (b) they're tight with what they do have.

Both accusations can easily be discharged. James Schulz, professor of economics at Brandeis University, recently told *Forbes*, "Poverty among the elderly, as measured by the poverty index and adjusted for non-money income, has virtually disappeared."

What's more, observers of the aging phenomenon have noted a new movement toward more hedonistic living—that is, *spending* for self-gratification today rather than *saving* so heirs can spend tomorrow.

Future stock

The statistics in this report show the relative weight at which various product categories will grow as they are affected by a radical refigurement of America's age profile. Behind those forecasts, here are some other factors that will figure into the maturing of the supermarket shopper and the resultant change in the mix of products purchased:

- Health and fitness-oriented products will sell well both in the food and HBA sections of the supermarket. Low-cholesterol, low-sodium and low-fat appeals will be compelling wraparounds for many products. Both established and innovative remedies will build traffic flow in the HBA aisles.
- New hair care and skin care products will be formulated to meet the needs of more mature bodies. As Dychtwald puts it, "Americans will increasingly fight to look as young as they feel."
- Fresh or frozen prepared foods will expand in variety, and built-in compatibility to microwaves will be a given. Supermarkets will also find a receptive audience for catering.
- By the year 2000, quality of the pharmacy could leap to near the top of the list of factors considered important in choosing a supermarket.
- Many products in the household cleaners section will be rethought to lower the drudgery associated with such tasks as cleaning bathtubs and sinks and washing and waxing floors.

Wild cards

This report is a handbook of how your customers will change their buying habits in the next decade, given the best data now available. The magnitude in the changes of the population's profile will be breathtaking indeed. Unforeseeable changes in tastes, technology, or the economy could surface to undermine our empirically based forecasts.

How will the reality of what your customers buy in your store in the future vary from our scenario? Well, see you at the checkout sometime in 2000.

CHANGES IN NUMBER OF ADULTS BY AGE

There are four primary—or "base"—groups which are used to describe present and projected product category usage patterns in this report. They are adults, men, women and female homemakers (see Definitions, page 37).

Most categories show such distinct patterns in their usage by *age* of the base group that they comprise virtual "fingerprints." (Few if any categories can be found that are purchased by an equal proportion of every adult age bracket.)

What this obviously means is that a substantive increase—or decrease—in the *number* of people in the age group with the highest proportion of users will automatically trigger a corresponding upswing or downswing in sales. The projections shown here for adults are predictably similar to the other three base groups. So let's examine them.

What's astounding at first glance is that a country that has raced through the century assured that "tomorrow" is a synonym for "bigger-and-more" is about to witness a severe contraction in the actual *number*—not just proportion—of adults under 35. While their absence as workers and payers into Social Security funds is already being bemoaned, it's their absence as buyers of many of the things supermarkets sell that concerns us here.

While the 18-to-24 group will drop by 3.1 million between 1988 and 1995, and gain back 0.9 million of that loss by 2000, the 25-to-34 group will lose 2.9 million in the first half of the '90s and an additional 4.1 million in the second half, a drain that those who sell to young adults should find most disturbing.

Glutted with Boomers, the high-earning 45-to-54 bracket will increase its ranks by 13.1 million, or an eyebrow-raising 54.6%, a trend that should guarantee bullish expectations among marketers of goods favored by that group.

	Ages	1995 Vs. 1988	2000 Vs. 1988
Adult	18-24	−11.5%	− 8.2%
	25-34	− 6.7	−16.2
	35-44	+18.8	+23.7
	45-54	+30.8	+54.6
	55-64	− 2.9	+10.3
	65 and over	+11.0	+14.4
Total		**+ 5.9%**	**+10.4%**
Men	18-24	−11.4%	− 8.0%
	25-34	− 6.2	−15.7
	35-44	+19.5	+25.1
	45-54	+31.5	+56.1
	55-64	− 2.1	+11.8
	65 and over	+10.2	+12.8
Total		**+ 6.0%**	**+10.6%**
Women	18-24	−11.6%	− 8.3%
	25-34	− 7.2	−16.6
	35-44	+18.1	+22.3
	45-54	+30.2	+53.2
	55-64	− 3.6	+ 8.9
	65 and over	+11.5	+15.4
Total		**+ 5.9%**	**+10.3%**
Female Homemakers	18-24	−11.4%	− 8.4%
	25-34	− 6.2	−15.9
	35-44	+20.2	+24.2
	45-54	+32.0	+55.1
	55-64	− 4.8	+ 9.3
	65 and over	+11.6	+15.4
Total		**+ 7.6%**	**+12.1%**

Source: U.S. Bureau of Census

HOUSEHOLDS—PROJECTED CHANGES—1988 TO 2000

Although the number of adults will grow by only 10.4% between 1988 and 2000, the number of households will grow by 15.9%, over half again that rate. This is influenced in part by the expected continuing decline in household size that has been uninterrupted for the last quarter-century. Both nonfamily and one-person households have been on the rise. So, too, has the male homemaker. During the next decade male homemakers will increase at triple the rate of female homemakers.

	1988	2000	Change
Total Households	91,434	105,933	+15.9%
Female Homemaker	77,775	87,199	+12.1%
Male Homemaker	13,659	18,734	+37.2%
Percent Male	14.9%	17.7%	

THE MEDIAMARK DATABASE: Consumer Usage Today, Yesterday and (For the First Time) Tomorrow

The projections of consumer product usage in this report are derived from the database of Mediamark Research Inc. Made available here exclusively to SUPERMARKET BUSINESS, this is the largest consumer database in America, and one that serves more magazines and newspapers, television, radio, and cable companies, advertisers and advertising agencies than any other consumer research service.

Among the almost 700 subscribers to Mediamark are many names whose products are found on supermarket shelves, including Campbell Soup Co., S.C. Johnson & Son, Eastman Kodak, General Foods, Procter & Gamble and Ralston-Purina.

Marking its 10th anniversary, Mediamark has accumulated a unique history of the habits of consumers during the '80s. And, of course, data currently being released in Spring 1989 Reports give the most accurate and detailed picture of what Americans are buying and using today available anywhere. "As for looking into the future, I believe the way in which the new SUPERMARKET BUSINESS study has taken our usage data and projected it to the year 2000 using Census projections is a first," says Sylvia Cassel, senior vice president, administration. "But then our subscribers are always finding original new uses for our data."

The data are derived from an annual survey of 20,000 randomly selected individuals who participate in both personal and self-administered surveys that cover the demographics, product usage and media exposure of all persons aged 18 and over.

Statistics are compiled on 450 product and service categories, 1,900 product types and 5,700 individual brands.

In addition to referring to the set of 20-plus volumes published annually by Mediamark, subscribers can access the data electronically through the on-line MEMRI™ system, using specially developed software packages.

To find out more about the categories mentioned in this report, or about Mediamark services in general, contact Sylvia Cassel, Mediamark Research Inc., 341 Madison Ave., New York, N.Y. 10017. (Tel.: 212-599-0444)

Fasten Your Managerial Seatbelt— The Year 2000 Is Closer Than You Think!

An old Russian proverb says, "If men could foresee the future, they would still behave as they do now." No wonder the Russians have never learned the knack of running a supermarket—or much else that concerns marketing of consumer goods for that matter.

But shrewd American marketers both need and want to know the future, and this report is designed to give them some useful insight into the impact an unprecedented change in demographics—amazingly compressed into the next decade—will have on their businesses. As simply summed up in a recent cover story in *Life* "While most people are merely curious about the great beyond, business demands to know it, for that is good business."

Our definition of "marketer" ranges from those who produce (i.e., manufacture or process) the products found on supermarket shelves, to those at chain and wholesaler headquarters who are responsible for buying and promotional strategies, and finally to those at the store level who order the merchandise, set the shelves and build displays.

Between today and 2000, the age distribution of the U.S. adult population will undergo an epochal transformation.

To qualify the coming changes, SUPERMARKET BUSINESS has projected changes in the user base of 364 product categories sold in supermarkets by combining two unique databases:

(1) U.S. Bureau of Census, which produces population projections by age far into the 21st century, and

(2) Mediamark Research Inc., which projects national usage of individual product categories over a variety of demographic breakouts including age.

Census projections tell us with a high degree of reliability what magnitude of increase in population we can expect between today and 1995 and 2000. By applying Mediamark's usage-by-age relationships to census date and thereby projecting current users to future users, we see how fast the user base will grow *by product category.*

This is the core of the data marketers need to conceptualize and prepare for the mix of supermarket shoppers that will be a reality in a little more than a decade. To put the product category projections into perspective, here are some questions worth asking:

- *Where should I allocate my funds for new item development?* Marketers have been smitten with the young-adult market for many years. Well, youth is about to prove itself fickle as the *number* (not just the proportion) of under-35 adults suffers serious seepage in the '90s.

But there will be a simultaneous explosion in the numbers of 35-to-54 "middle" middle-agers. The things they like to buy—drain cleaners, salt substitutes, and lipstick, for example—will outstrip the population in their rate of growth.

For ideas on which product categories have the best chance of nurturing new product successes in the '90s, this report is a useful tool.

- *Should changes be considered in the relative amount of space allocated to departments in new stores and remodels?* Obviously, many factors come into play here outside of the scope of this report. But the table forecasting growth of major departments (below) can provide some supplemental input. Departments such as produce, baked goods, meat, dairy and frozens all figure to claim an increasing share of female homemakers' attention. Within dry grocery some old-liners such as cleaners and laundry and household supplies are poised for a renaissance at the expense of baby food and baby HBA. Over in grown-up health

TRACKING THE TRENDBUSTERS

Most of the product categories studied in this report have been used in one form or another for generations. There is a long history of consumers changing their buying habits as they grow older—or up.

But this report contains some relatively new product categories that are used mostly by the young adults traditionally receptive to innovations. Under our methodology we assume that as they age, they'll show less inclination to continue buying these young-adult favorites, even as a succeeding generation begins to buy them.

Make sense? Sure, but we're not completely certain about it, so we're advising you to keep an eye on the following comparatively new categories which just might grow old gracefully with continued use among their present users: artificial sweeteners, dental rinse, video tape rental, hair mousse, frozen hot snacks and salt substitutes. Some less "new" but newly discovered categories would extend the list to bottled water and sunscreens.

FORECAST GROWTH OF MAJOR DEPARTMENTS— 2000 VERSUS 1988

Average Change In Number of Users	
Female Homemakers	
+15.6%	Produce
+14.5	Oils/Dressings/Condiments
+14.5	Household Cleaning
+14.2	Desserts/Baking Ingredients
+14.0	Laundry Supplies
+13.5	Household Supplies
+13.4	Fruits/Vegetables, Canned
+13.4	Refrigerated Meats
+13.3	Baked Goods
+13.2	Dairy
+13.0	Soaps, Non-Laundry
+12.9	Pet Products
+12.8	Frozen Foods
+12.8	Sauces
+12.7	Spices/Extracts
+12.7	Paper/Plastic Products
+12.6	Packaged Specialty Foods
+12.1	Family Beverages
+12.1%*	------
+11.9	Snacks
+11.2	Breakfast Foods
+1.7	Baby/Children's HBA
−1.3	Baby Foods
Adults	
+11.3	Remedies/Misc. HBA
+10.7	Oral HBA
+10.5	General Merchandise
10.4%*	------
+10.0	Wine
+9.9	Candy
+9.6	Auto Supplies
+9.5	Tobacco
+9.3	First Aid/Skin Care
+8.2	Soft Drinks
+4.3	Beer
Women	
+10.3%*	------
+9.1	Cosmetics
+8.8	Women's HBA
+7.2	Hair Care, Women's
Men	
+10.6%*	------
+10.5	Skin Care/Shaving
+10.3	Hair Care, Men's

At this time, we *know*, courtesy of the Bureau of Census forecasters, how much the U.S. population will grow between now and the year with that magic number of 2000. This report takes product usage data collected by Mediamark Research Inc. on 364 product categories sold in supermarkets and projects how each category's *user base* will grow between 1988 and 2000. In short, how many more users will be looking for this product in the supermarket in 2000?

While Mediamark does not study all categories in all departments, its category coverage includes all major product categories and is wide enough to afford us an insightful look into how various departments are likely to fare over the decade. (The numbers shown here are a simple average of the percent growth in users projected for the categories in a given department, without weighting for their relative contribution to sales.) As it's an average, most departments naturally have their share of winners that will outperform the growth rate of the base (e.g. female homemakers) as well as their share of laggards.

Female Homemakers: Family beverages is projected to grow at 12.1% between 1988 and 2000, the same rate as the population of female homemakers. Of the other departments, 17 will show above-average growth and four below-average growth. Why? The answer lies in

*Population growth

and beauty aids, health-before-beauty will be an emerging trend as the population ages.

• *How can an understanding of the varying performance projections of product categories within a department help me to sell better?* This is the point when we refer you to the 15 pages of detailed department-by-department tables that follow this introductory section. Each departmental table ranks all the product categories within that department by its projected 1988-to-2000 growth rate in number of users. Further, each product's relative growth is assigned a rating ranging from HOT through COLD.

Those that are HOT will be expanding most in demand, and those that are COLD, least. By the years 1995 and 2000, more and more shoppers will be looking to see what you are offering them in your stores in the sections devoted to the HOT categories and relatively fewer will care what you've done in the COLD sections.

Factor the consequences of these varying growth rates into the myriad decisions that comprise the supermarket business: number of brands carried; number of items within each brand; total shelf space; position in traffic flow; policy on new item authorizations; approved warehouse slots; inclusion in weekly store ad; instore sampling; instore display; and more.

the polar differences in the age constituencies of the winners and the relative users. Dry Grocery Non-Food departments such as household cleaning, laundry supplies and household supplies tower near the top of the list because most of their products are used in tremendous amounts by homemakers in the rapidly burgeoning 35-to-44 and 45-to-54 groups. Conversely, departments near the bottom of the list are comprised of categories whose sales are skewed to younger 18-to-34 homemakers.

Adults: The predisposition to increase the need for and use of over-the-counter remedies as one ages bodes well for the remedies section of HBA in the '90s. With its strong dependence on under-35 adults, beer, however, will need some strong proselytizing among middle-aged adults if beer sales are to barrel along in the '90s.

Women: All three major women's HBA departments will lag behind the 10.3% growth rate projected for adult women by 2000. Heavy users of most of these products appear to divert their money to other uses once they turn 35. Within these departments, however, some blockbuster exceptions such as hair colorings and face creams will outperform their sister categories.

Men: Men appear more likely than women to maintain the same personal care routines as they age. Thus the user base of the men's HBA department should grow smartly in tandem with its population base.

FORECAST FOR SELECTED PRODUCT CATEGORIES —2000 VERSUS 1988 (Growth in Users)

ABOVE AVERAGE

Homemakers	
Ground coffee	+19.4%
English muffins	+18.5
Drain cleaners	+18.3
Outdoor insecticides	+17.2
Dried fruit	+17.1
Disposable plates	+16.7
Cottage cheese	+16.2
Turkey, frozen	+16.1
Metal polish	+16.1
Canned dog food	+15.7
Salt substitute	+15.4
Adults	
Denture cleaners	+18.8%
Artificial sweeteners	+14.9
Laxatives	+14.9
Vitamins	+13.8
Mouthwash	+13.0
Men	
Hair tonic/dressing	+15.3%
Hair coloring	+15.0
Pipe tobacco	+14.7
Hair sprays	+14.4
Pre-electric shave lotion	+12.3
Women	
Hair coloring	+14.5%
Lipstick/lip gloss	+13.8
Face creams/lotions	+13.3
Deod.-Colognes/ Body sprays	+12.7
Fem. Hygiene Deod. Sprays	+12.7

BELOW AVERAGE

Homemakers	
Infant formula	−2.4%
Disposable diapers	−1.9
Baby foods	NC
Powdered fruit/ soft drinks	+7.4
Toaster products	+8.7
Pizza mixes	+9.1
Charcoal	+9.1
Cotton swabs	+9.2
Meat snacks	+9.5
Table syrup/molasses	+9.5
Canned pasta	+9.6
Adults	
Toothbrushes	+9.5%
Nuts, snack	+9.6
Motor oil additives	+9.9
Diet soft drinks	+9.9
Adhesive bandages	+10.3
Men	
Hair conditioners	+5.5%
Shampoo	+6.3
Deodorants/ anti-perspirants	+9.0
Facial cleansers	+9.0
Hair conditioning treatment	+9.4
Women	
Tampons	+3.8%
Shampoo	+4.2
Blusher	+6.5
Eye shadow	+6.7
Nail polish	+7.5

Source: Supermarket Business.

Homemakers: While 12.1% more female homemakers will be shopping in the nation's supermarkets in the year 2000, many categories will see their probable number of users grow at an even faster rate. The characteristic shared by these winners is a strong allegiance among those 35-to-54.

Adults: An aging population assures an outsized success for categories such as artificial sweeteners.

Men: With more older if not always grayer male heads in need of care by 2000, things look good for the products most often applied to them, including coloring.

Women: HBA departments can expect plenty of play from aging adult women who favor hair coloring, lipstick and face creams to keep their best face forward. Product categories that depend on their appeal to that shrinking base of *younger* adult women, however, will find the road rough in the '90s.

SOME DEFINITIONS

Product User: To qualify as a user of a particular product category, a person must have used a product in that category within the relevant time period as defined by the Mediamark questionnaire. The qualifying period may be as small as the most recent seven days for a high-frequency product, or as much as six months or a year for low-frequency products.

Heavy User: Users of a product category are arrayed into heavy, medium and light users, according to the frequency with which they used the product in the relevant period. While heavy users account for a minority of all users, they usually account for a strong majority of product "tonnage." Because of their more skewed demographic profiles, they provide valuable insight into target marketing.

Base Group: Those identified by Mediamark together with the marketers and advertisers who uses its statistics, as the primary users of a particular product category. Four base groups are shown.

Adults: Those age 18 and over where both men and women purchase the product for personal use (e.g., toothpaste).

Men/Women: Again, those age 18 and over, but where products (primarily health and beauty aids) are used by one sex.

Female Homemakers: The homemaker is the person designated as the one who does most of the shopping for groceries and household items. Products purchased for the household are based on female homemakers. (Mediamark also publishes data on usage by male homemakers.)

Reading Your Future Sales (Without Tea Leaves)

Reading this report, and then applying its conclusions to your own operation, can help you keep unwanted shock out of your future. Lots of numbers? Yes, but then your store has lots of product categories whose relative sales weight will experience some significant changes during the next decade.

The example shown here illustrates how easy it is to learn whether a particular product category will show a growth in the number of users between 1988 and 2000 that is (a) greater than population growth, (b) smaller than population growth, or (c) more or less in line with population growth.

As shown in the tables earlier in the report, some age brackets will show unprecedented growth over the next 10 years (e.g., 45-to-54), thereby ballooning sales of product categories frequently bought and used by these groups. On the flip side, other age brackets will actually show a decline in membership (e.g., 18-to-24), sounding an alarm for their prospects in the marketplace.

The excerpt shown here from the Paper/Plastic Products section of this report illustrates the contrasting fates of several categories in this product class, as well as the known user patterns in which these projections are empirically rooted.

A system of color-coded ratings is also explained.

(A) The product classes have been grouped into classes roughly equivalent to standard supermarket departments. Appropriate to usage patterns, the base group surveyed by Mediamark Research Inc. is female homemakers, men, women or adults.

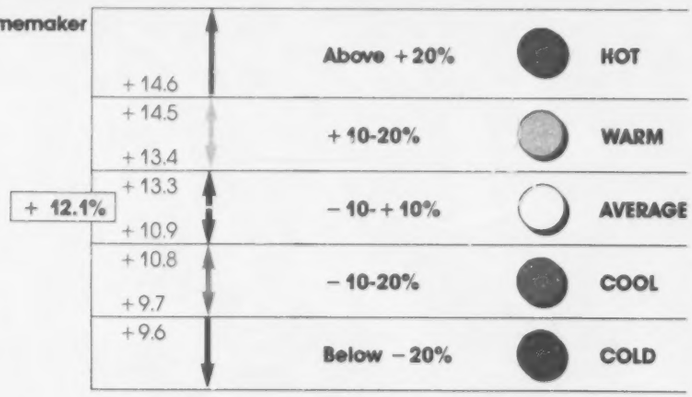
(B) Unless otherwise indicated, the percent of the base group who qualify as users is shown. For product categories in this report the relevant period may range from as little as the most recent seven days for a high-frequency product, to as much as six months or a year for low-frequency products. (HU) next to the category name denotes heavy users. Heavy users are studied here for two reasons: (1) they typically account for 80% or more of tonnage, so they are critical to any category's prospects, and (2) they eliminate the lack of demographic discrimination found in categories that are universally used by every demographic group, e.g., toilet paper.

(C) The proportion of users found in each age group is contrasted with the overall base group (B). Looking at disposable diapers, 31.3% of female homemakers 18-to-24 are users (a percentage 160% higher than the 12.0% figure for all female homemakers). Conversely, only 5.2% of those 45-to-54 are users, placing their rate 57% *below* the all-homemaker average. So, quite simply, a "+" means that age group is above average in use of the category and a "–" means it's below average. (For a category like diapers, the implications of scoring well among an age group that will drop in number, and scoring poorly with a group that will explode in numbers are obvious.)

(D) Mediamark calculates the number of users—by age—for each category at the present time. By applying Census projections to these data we can estimate how many users there will be by age (and, more importantly, in total) for the years 1995 and 2000. This assumes, of course, that tastes and preferences indigenous to a certain age group will *continue to* define that age bracket at a future time, an assumption discussed more fully elsewhere.

PAPER/PLASTIC PRODUCTS (BASE = FEMALE HOMEMAKERS) (A)	PERCENT WHO USE 1988 (B)	USE BY AGE (VS. AVERAGE) BY PERCENTAGE (C)						GROWTH IN USERS (VS. 1988, IN PCT.) (D)	
		18-24	25-34	35-44	45-54	55-64	65+	1995	2000
Waxed Paper (HU)*	5.1	–52	–39	+ 2	+35	+22	–32	+10.7	+18.1
Paper Napkins (HU)	7.9	–46	–33	+29	+27	+12	+10	+11.0	+17.8
Disposable Plates (HU)	7.3	–54	–15	+27	+37	+20	–29	+10.3	+16.7
Aluminum Foil (HU)	45	– 3	6	+ 2	7	3		+ 7.6	+12.2
Toilet Paper (HU)	33.9	– 1	+13	+27	+ 4	– 8	–45	+ 7.7	+11.9
Pre-Moistened Cleansing Wipes (HU)	16.2	+68	+78	–18	–36	–40	–61	+ 2.2	+ 2.6
Disposable Diapers	12.0	+160	+95	–34	–57	–63	–77	– 0.8	– 1.9

TAKING THE TEMPERATURE OF GROWTH IN USERS—1988-2000



The Census Bureau has firm projections on how many adults there will be in the year 2000. After all, they've already been born. So it's easy to divine the growth rate in the constituencies for the various classes of products sold in supermarkets: female homemakers, men, women and adults.

But in line with shifting age distributions within each of these groups, *product users* will grow at differing rates for different product categories. The calculations in this report have factored in these changes to show each category's projected growth rate between 1988 and 2000.

What's needed to put this in perspective in a qualitative framework? Which growth rate is good? And which not so good? Our simple scorecard places every growth score in one of five evaluations: HOT – WARM – AVERAGE – COOL – COLD.

In the chart for female homemakers (shown here), basic demographic projections assure us that their number will grow by 12.1% between 1988 and 2000. So it makes sense to concede that any category that can claim its base of users will show a similar rate of growth—plus or minus 10%—is holding its own. (As + 10.9% is 10% *below* the 12.1% average, and + 13.3% is 10% *above* the 10% average, any category with a projected gain in users between + 10.9% and + 13.3% has earned a score of AVERAGE.)

Increments of 10% also define the higher and lower scores, with those 10 to 20% above or below the average qualifying as WARM or COOL, respectively, and those beyond the 20% barrier earning the extreme HOT and COLD grades.

Adults, men and women are subjected to the same methodology.

NOTE: Although the temperature ratings are based on 1988 to 2000 data, they are equally valid for those focusing on the years 1988 to 1995.

Ranges for Rating of Projected Growth in Users (1988-2000)

	Total Adults	Men	Women	Female Homemakers
HOT	+ 12.5% or more	+ 12.8% or more	+ 12.5% or more	+ 14.6% or more
WARM	+ 11.5%- + 12.4%	+ 11.7%- + 12.7%	+ 11.4%- + 12.4%	+ 13.4%- + 14.5
AVERAGE	+ 9.4%- + 11.4%	+ 9.6%- + 11.6%	+ 9.3%- + 11.3%	+ 10.9%- + 13.3%
COOL	+ 8.3%- + 9.3%	+ 8.5%- + 9.5%	+ 8.2%- + 9.2%	+ 9.7%- + 10.8%
COLD	+ 8.2% or less	+ 8.4% or less	+ 8.1% or less	+ 9.6% or less

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DRY GROCERY (FOOD)

BABY FOODS (BASE = FEMALE HOMEMAKERS)	PERCENT WHO USE (1988)	USE BY AGE (VS. AVERAGE) BY PERCENTAGE 18-24	25-34	35-44	45-54	55-64	65+	GROWTH IN USERS (VS. 1988, IN PCT.) 1995	2000	
Baby Foods	6.6	+144	+81	−41	−43	−37	−73	−0.2	—	●
Infant Cereals	5.5	+170	+78	−45	−45	−35	−78	−0.7	−1.6	●
Prepared Infant Formula	5.1	+211	+82	−46	−59	−53	−77	−1.7	−2.4	●

BAKED GOODS (BASE = FEMALE HOMEMAKERS)	PERCENT WHO USE (1988)	USE BY AGE (VS. AVERAGE) BY PERCENTAGE 18-24	25-34	35-44	45-54	55-64	65+	GROWTH IN USERS (VS. 1988, IN PCT.) 1995	2000	
English Muffins (HU)*	4.5	−13	−39	+17	+49	+ 9	− 3	+11.0	+18.5	●
Stuffing Mixes/Products (HU)	7.9	−18	−19	+19	+23	+ 4	− 7	+ 9.5	+15.5	●
Kaiser Rolls	6.8	− 6	− 2	+10	+37	− 7	−30	+ 9.1	+14.7	●
Sweet Rolls/Pastries, Ready-to-eat (HU)	21.2	−24	− 7	+15	+16	+12	−17	+ 8.7	+14.3	◉
Bread (HU)	17.5	− 8	− 6	+19	+14	+ 4	−23	+ 8.5	+13.9	◉
Crackers (HU)	30.5	−22	− 4	+ 6	+17	+ 8	−10	+ 8.5	+13.9	◉
Cookies, Ready-to-eat (HU)	21.5	−35	—	+32	+ 4	+12	−31	+ 8.6	+13.5	◉
Bread Crumbs/Coating Mixes (HU)	4.6	+20	−36	−19	−10	+52	+26	+ 6.8	+13.1	○
Dinner Rolls	17.0	−31	+ 7	+23	+ 8	+ 4	−29	+ 8.3	+13.1	○
Croutons	20.6	− 6	+ 3	+19	+11	− 9	−24	+ 8.3	+13.1	○
Snack Cakes (HU)	13.5	−13	+13	+43	+10	−23	−49	+ 8.7	+12.9	○
Bagels	17.6	+11	+15	+28	+19	−22	−54	+ 8.1	+12.5	○
Croissants/Crescent Rolls	11.1	−21	+ 9	+11	+ 2	− 2	−34	+ 7.7	+12.2	○
Hot Dog Rolls	42.3	− 5	+15	+27	+ 3	−13	−39	+ 7.8	+11.8	○
Biscuits	7.3	+26	− 4	+14	− 8	+ 2	−19	+ 7.0	+11.7	○
Hamburger Rolls	48.4	−12	+14	+18	+13	−10	−34	+ 7.2	+11.7	○
Garlic Bread	12.0	+29	+26	+ 9	+ 9	−31	−41	+ 6.9	+10.4	●

*(HU) = Heavy Users

BEER (BASE = ADULTS)	PERCENT WHO USE (1988)	USE BY AGE (VS. AVERAGE) BY PERCENTAGE 18-24	25-34	35-44	45-54	55-64	65+	GROWTH IN USERS (VS. 1988, IN PCT.) 1995	2000	
Beer, Domestic, Regular (HU)*	12.8	+42	+21	− 2	−16	−20	−41	+3.0	+6.2	●
Beer, Domestic, Low Calorie	16.6	+41	+36	+ 7	− 7	−42	−64	+3.2	+5.8	●
Ale	3.6	+46	+33	− 1	−31	−33	−42	+2.2	+4.4	●
Beer, Low Alcohol	1.2	− 3	+48	−16	−49	−15	—	+2.2	+3.6	●

1988-2000
Avg. Category Growth: −1.3%
Base Group Growth: +12.1%
Baby foods seem destined to be confined to a smaller playpen in many dry grocery departments as the number of their users actually contracts between now and 2000. The number of female homemakers in the 18-to-24 peak usage group will decline by 8.4% during the '90s.

1988-2000
Avg. Category Growth: +13.3%
Base Group Growth: +12.1%
Of the 17 product categories shown for the baked goods sector, seven are projected to show a growth in users that's above the average range, and only one lags under average.

English muffins, a category that's been showing growth in number of items offered and in share of shelf space in many baked goods departments, heads the list as the number of heavy user homemakers grows 18.5% by 2000. Heavy user incidence among those 45 to 54 is virtually double that of under 35s.

Such packaged goods as stuffing mixes, crackers, breadcrumbs and coating mixes should continue to perform well in the '90s given their favorable demographic profiles. There's also good news here for instore bakeries, as sweet pastries, cookies and kaiser rolls show above-average growth potential, backed up by near-average growth for such instore staples as dinner rolls, bagels and croissants.

With its strong constituency among those between 18 and 34, a group whose membership will contract, garlic bread will show a comparatively cool 10.4% growth in users by 2000.

1988-2000
Avg. Category Growth: +4.3%
Base Group Growth: +10.4%
Among the product classes whose base group is adults, beer shows the poorest prospects for growth between now and 2000, with all six product categories meriting a rating of cold.

GROWTH IN USERS, 1988-2000

● HOT ◉ WARM ○ AVERAGE ● COOL ● COLD

Continued on page 44

Source: Mediamark Research, Inc.

WHAT'S HOT, WHAT'S NOT

BEER

(BASE = ADULTS)

	PERCENT WHO USE (1988)	USE BY AGE (VS. AVERAGE) BY PERCENTAGE						GROWTH IN USERS (VS. 1988, IN PCT.)		
		18-24	25-34	35-44	45-54	55-64	65+	1995	2000	
Beer, Imported	14.4	+65	+43	- 5	-25	-43	-68	+1.4	+3.3	●
Malt Liquor	2.3	+65	+50	- 3	-35	-47	-70	+0.9	+2.3	●

*(HU) = Heavy Users

Popular among those between the ages of 18 and 34, beer drinking then declines precipitously. This is true for "diet"-type beers as well as for other varieties and for ale and malt liquor. Only a major change in America's beer drinking habits can brighten forecast.

BREAKFAST FOODS

(BASE = FEMALE HOMEMAKERS)

	PERCENT WHO USE (1988)	USE BY AGE (VS. AVERAGE) BY PERCENTAGE						GROWTH IN USERS (VS. 1988, IN PCT.)		
		18-24	25-34	35-44	45-54	55-64	65+	1995	2000	
Jams, Jellies (HU)*	11.0	-52	—	- 4	+16	+11	+ 8	+8.7	+14.0	◉
Honey	32.5	-25	+ 3	- 4	+ 4	+ 9	+ 3	+7.7	+12.5	○
Pancake, Waffle Mix	44.9	+ 1	+ 8	+ 9	+ 6	- 8	-21	+7.6	+12.0	○
Peanut Butter (HU)	7.1	+11	+12	+19	+ 9	-15	-38	+7.6	+11.9	○
Cold Breakfast Cereals (HU)	22.6	-32	+18	+30	- 6	- 6	-31	+7.8	+11.7	○
Hot Breakfast Cereals (HU)	11.0	-35	- 2	-22	-24	+35	+36	+6.4	+11.0	○
Breakfast/Snack/Nutritional Bars	21.6	+ 9	+41	+22	- 1	-30	-59	+7.1	+9.9	●
Table Syrup/Molasses (HU)	4.8	-26	+31	+ 5	-16	- 2	-20	+6.3	+9.5	●
Toaster Products (HU)	6.3	+38	+37	+32	-13	-47	-59	+6.3	+8.7	●

*(HU) = Heavy Users

1988-2000
Avg. Category Growth: + 11.2%
Base Group Growth: + 12.1%
Overall, the product categories that comprise breakfast foods are projected to show lackluster gains between now and the year 2000 compared to other dry grocery department sections. (Only candy and the two baby product categories average under 11.2%.)

The best performer promises to be jams and jellies, whose popularity peaks among the fast-growing 45-to-54 group, 11.0% of whom are heavy users (two jars or more in the last 30 days).

The relatively new breakfast bars and toaster products categories have found relatively little favor among those over 45.

CANDY

(BASE = ADULTS)

	PERCENT WHO USE (1988)	USE BY AGE (VS. AVERAGE) BY PERCENTAGE						GROWTH IN USERS (VS. 1988, IN PCT.)		
		18-24	25-34	35-44	45-54	55-64	65+	1995	2000	
Cough Drops (HU)*	10.8	-27	-13	-10	+12	+17	+34	+6.8	+12.2	◉
Candy, Prepackaged, Loose (HU)	4.7	- 9	—	- 2	+25	- 8	- 2	+6.6	+11.6	◉
Hard Roll Candy (HU)	2.7	+ 1	- 2	+ 9	+23	-15	-15	+6.5	+11.5	◉
Boxed Chocolates	17.4	-13	- 5	- 4	+ 4	+ 5	+17	+6.1	+10.8	○
Candy, Pkg. of Miniature (HU)	6.6	+10	- 2	- 8	+ 3	+ 8	- 7	+5.0	+ 9.7	○
Mints (HU)	8.2	—	+ 7	- 6	- 6	+ 2	—	+4.9	+ 9.0	●
Candy, Individual, Big Block/ Thick Bar	12.9	+ 3	+13	+20	-13	- 7	-30	+4.9	+ 8.6	●
Chewing Gum (HU)	30.5	+34	+ 9	+10	- 2	-18	-43	+4.3	+ 8.2	●
Candy, Individual, Regular-Size (HU)	16.1	+19	+12	+ 8	-16	-14	-21	+4.3	+ 7.8	●

*(HU) = Heavy Users

1988-2000
Avg. Category Growth: + 9.9%
Base Group Growth: + 10.4%
"Grown-up" candy will have its day (or its decade) in the 1990s as the population grows older. Cough drops are favorites of those over 45 and their usage among the over-65 segment suggests an ongoing surge for this category. Both prepackaged, loose candy of the sort often found in produce departments and hard roll candy benefit from their popularity among fast-growing 45-to-54s.

Chewing gum usage peaks among younger 18-to-24 adults, with progressively few sticking to the habit as they grow older. Individual bar sales are similarly affected, suggesting some reevaluation of product setups at checkouts.

DESSERTS/BAKING INGREDIENTS

(BASE = FEMALE HOMEMAKERS)

	PERCENT WHO USE (1988)	USE BY AGE (VS. AVERAGE) BY PERCENTAGE						GROWTH IN USERS (VS. 1988, IN PCT.)		
		18-24	25-34	35-44	45-54	55-64	65+	1995	2000	
Nuts for Cooking (HU)*	3.9	-50	-34	+ 6	+42	+54	-12	+10.1	+17.8	●
Evaporated Milk (HU)	8.3	-43	-38	+ 5	+15	+35	+30	+ 9.8	+16.6	●
Dry Cake Mixes (HU)	10.1	-38	-19	+28	+20	+ 6	- 8	+10.0	+16.0	●

*(HU) = Heavy Users

1988-2000
Avg. Category Growth: + 14.2%
Base Group Growth: + 12.1%
A strong majority of the categories shown here are forecast to achieve above-average growth in their user base over the next decade. This means that store planners should allow plenty of space for stocking all the brands and varieties shoppers expect.

GROWTH IN USERS, 1988-2000

● HOT ◉ WARM ○ AVERAGE ● COOL ● COLD

Source: Mediamark Research, Inc.

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WHAT'S HOT, WHAT'S NOT

DESSERTS/BAKING INGREDIENTS (BASE = FEMALE HOMEMAKERS)	PERCENT WHO USE (1988)	USE BY AGE (VS. AVERAGE) BY PERCENTAGE 18-24	25-34	35-44	45-54	55-64	65+	GROWTH IN USERS (VS. 1988, IN PCT.) 1995	2000	
Whipped Topping (HU)	6.7	-44	-32	+17	+ 6	+22	+26	+ 9.8	+16.0	●
Gelatin/Gelatin Desserts (HU)	16.1	-51	-30	- 1	+10	+39	+28	+ 9.2	+15.7	●
Flour (HU)	16.7	-32	-13	- 8	+29	+29	- 4	+ 8.7	+15.0	●
Baking Coconut	27.3	-47	-15	- 1	+19	+25	+10	+ 8.9	+15.0	●
Artificial Sweeteners (HU)**	7.8	-54	-20	+19	+26	+21	+23	+ 8.9	+14.9	●
Baking Mixes (HU)	8.2	-21	-11	+13	+18	- 7	+ 3	+ 9.3	+14.7	●
Baking Chips (HU)	6.3	- 4	- 9	+33	+15	-12	-24	+ 9.3	+14.4	◐
Puddings/Pie Fillings (HU)	14.4	-39	-13	- 5	+13	+25	+12	+ 8.6	+14.4	◐
Bar Baking Chocolate	18.4	-31	- 9	- 6	+17	+16	+ 8	+ 8.5	+14.2	◐
Yeast (HU)	3.9	-28	-17	-14	+11	+25	+24	+ 8.3	+14.2	◐
Sugar (HU)	26.7	-26	- 4	+12	+ 1	+15	- 6	+ 8.1	+13.2	○
Packaged Pie Crusts (HU)	4.5	-32	- 5	- 9	+ 5	+27	+ 7	+ 7.7	+13.0	○
Shortening (HU)	9.4	+44	-10	+16	+ 3	- 2	-26	+ 7.4	+12.4	○
Frostings (HU)	7.8	+ 5	- 1	+38	-11	-12	-24	+ 8.0	+12.2	○
Brownie/Cookie Mixes (HU)	4.5	+24	+ 1	+37	-21	-20	+ 7	+ 7.3	+11.0	○
Pizza Mixes	10.9	+80	+18	+22	- 9	-34	-55	+ 5.9	+ 9.1	●

*(HU) = Heavy Users **Base = Adults

Most of these categories get relatively little attention from younger, under-35, homemakers, but are favorites of those from 45-to-64, dropping off again after 65. This is a fitting description for nuts for cooking, leading the list with a projected 17.8% growth rate between now and the year 2000.

Several of the products here are considered to be staples by many seniors, a fact that should augur well for future sales of evaporated milk, whipped topping and gelatin desserts.

Artificial sweeteners soar in use by those who have passed their 35th birthday, which will continue to define a larger proportion of the population every year.

The other side of the coin is represented by pizza mixes, used most devotedly by very young adults, a group that will shrink in number to the probable detriment of sales.

FAMILY BEVERAGES (BASE = FEMALE HOMEMAKERS)	PERCENT WHO USE (1988)	USE BY AGE (VS. AVERAGE) BY PERCENTAGE 18-24	25-34	35-44	45-54	55-64	65+	GROWTH IN USERS (VS. 1988, IN PCT.) 1995	2000	
Ground Coffee (HU)*	12.0	-35	-37	+ 6	+68	+37	-22	+11.0	+19.4	●
Coffee, Instant or Freeze-Dried (HU)	8.5	-14	-34	- 5	+17	+15	+33	+9.3	+15.8	●
Whole Coffee Beans	9.4	-40	+ 9	+22	+36	- 5	-40	+9.4	+14.8	●
Tea, Instant (HU)	21.5	-10	-22	—	+12	+10	+17	+8.7	+14.6	●
Iced Tea Mix, Instant (HU)	11.6	-21	- 3	+15	+22	+ 5	-23	+8.8	+14.2	◐
Cream Substitute, Non-Dairy (HU)	5.2	-43	-12	+30	- 6	+ 3	+ 7	+9.2	+14.2	◐
Tea, Regular (HU)	14.4	- 2	+ 2	+ 9	+21	- 2	-28	+ 8.2	+13.3	○
Cocoa Powder	35.9	-11	- 2	+ 5	+ 8	+14	-15	+7.8	+12.9	○
Dry Milk	13.0	-33	- 2	-15	- 1	+21	+21	+7.5	+12.5	○
Coffee, Instant, International Flavored	10.2	-19	+28	+14	+ 9	-24	-32	+7.7	+11.4	○
Drink Additives (HU)	7.0	+10	+18	+39	- 6	-17	-54	+7.4	+11.0	○
Powdered Fruit/ Soft Drinks (HU)	9.6	+29	+45	+21	-21	-17	-69	+5.0	+7.4	●

1988-2000
Avg. Categ... Growth: + 12.1%
Base Group Growth: + 12.1%
Of the 14 categories shown here, twice as many are projected to grow at an above-average rate as a below-average rate.

Coffee in three forms—ground, instant and whole beans—heads the growth list. All show heavy usage among those aged 45-to-54, a group that will swell in numbers by 55.1% over the decade. Instant coffee is also brewed regularly by seniors attracted both by its easy preparation and the availability of tasty decaffeinated versions. The relatively new varieties of international-flavored instant coffee have found greatest use among those 25-to-44, but that base could broaden in the future.

The three kinds of tea all show a future growth rate that suggests they will continue to earn generous shelf space.

GROWTH IN USERS, 1988-2000

● HOT ◐ WARM ○ AVERAGE ● COOL ● COLD

Continued on page 48

Source: Mediamark Research, Inc.

WHAT'S HOT, WHAT'S NOT

FAMILY BEVERAGES (BASE = FEMALE HOMEMAKERS)	PERCENT WHO USE (1988)	USE BY AGE (VS. AVERAGE) BY PERCENTAGE 18-24	25-34	35-44	45-54	55-64	65+	GROWTH IN USERS (VS. 1988, IN PCT.) 1995	2000	
Energy Drinks**	11.1	+64	+26	+ 2	−33	−41	−45	+2.0	+4.2	●
Mixed Drinks, Prepared, Without Liquor**	4.0	+57	+42	− 5	−34	−34	−58	+1.3	+3.1	●

*(HU) = Heavy Users **Base = Adults

Two favorites among those under 35—powdered drinks and energy drinks—will suffer some comparative erosion in their rates of sale as younger homemakers shrink in numbers.

FRUITS/JUICES/ VEGETABLES,CANNED (BASE = FEMALE HOMEMAKERS)	PERCENT WHO USE (1988)	USE BY AGE (VS. AVERAGE) BY PERCENTAGE 18-24	25-34	35-44	45-54	55-64		GROWTH IN USERS (VS. 1988, IN PCT.) 1995	2000	
Grapefruit Juice	22.7	−24	−19	+ 5	+39	+ 5	− 3	+9.9	+16.4	●
Tomato/Vegetable Juices, Canned	34.7	−30	−18	+ 7	+32	+13	− 3	+9.6	+16.0	●
Fruit, Canned/Jarred (HU)*	14.4	−30	−21	− 2	+ 3	+23	+26	+8.5	+14.3	◐
Beans With Sauce, Canned (HU)	16.5	−35	− 7	+ 6	+13	+ 9	+ 4	+8.8	+14.2	◐
Tomatoes, Canned (HU)	18.6	−13	—	+15	+ 8	+10	−24	+7.9	+13.0	○
Vegetables, Canned/Jarred (HU)	17.7	− 6	+ 9	+21	+ 4	+ 7	−41	+7.5	+12.1	○
Mushrooms, Canned/Jarred (HU)	8.9	− 7	+ 8	+11	+ 3	− 6	−16	+7.7	+12.1	○
Fruit Juices & Drinks, Misc. (HU)	15.5	+ 9	+40	+29	−15	−35	−52	+6.4	+ 8.8	●

*(HU) = Heavy Users

1988-2000
Avg. Category Growth: +13.4%
Base Group Growth: +12.1%
Fresh is fine, but many adult female homemakers still want to keep a supply of handy canned goods in their larders. Leading the list are two categories for which little, if any, fresh competition is available—grapefruit juice and tomato and vegetable juices. Both are favored by adults 45-to-54 and both rate as hot in the forecast for growth in users.

The category with the most mature profile here is canned and jarred fruit, used heavily by those 55 and over, and well positioned for ongoing growth to the year 2000 and beyond.

OILS/DRESSINGS/ CONDIMENTS (BASE = FEMALE HOMEMAKERS)	PERCENT WHO USE (1988)	USE BY AGE (VS. AVERAGE) BY PERCENTAGE 18-24	25-34	35-44	45-54	55-64	65+	GROWTH IN USERS (VS. 1988, IN PCT.) 1995	2000	
Mustard (HU)*	9.2	−14	− 7	+32	+39	+ 2	−51	+9.7	+15.7	●
Pickles (HU)	9.2	+ 6	− 7	+19	+37	−10	−35	+9.3	+15.1	●
Mayonnaise/Mayo Type Salad Dressing (HU)	10.7	−34	—	+32	+25	− 4	−35	+9.5	+14.9	●
Salad/Cooking Oil (HU)	19.4	−28	−11	+31	+13	+10	−23	+9.2	+14.7	●
Salad Dressing (HU)	27.6	−15	− 7	+35	+15	+ 2	−34	+9.1	+14.4	◐
Pickle Relish	36.1	−35	—	+14	+12	+ 8	−14	+8.6	+13.7	◐
Ketchup (HU)	9.1	− 5	+13	+43	+14	−33	−47	+8.9	+13.1	◐

*(HU) = Heavy Users

1988-2000
Avg. Category Growth: +14.5%
Base Group Growth: +12.1%
The categories in this group sport the highest projected growth rate among female homemakers in the dry grocery department. Here we find some of the most frequently couponed and merchandised products, including mayonnaise, and here we can expect the traditional dynamics of supermarket merchandising to continue to flourish. To many, the word merchandising suggests the word mayonnaise, a proved customer draw when on special.

PACKAGED SPECIALTY FOODS (BASE = FEMALE HOMEMAKERS)	PERCENT WHO USE (1988)	USE BY AGE (VS. AVERAGE) BY PERCENTAGE 18-24	25-34	35-44	45-54	55-64	65+	GROWTH IN USERS (VS. 1988, IN PCT.) 1995	2000	
Hash, Canned	13.4	−16	−19	+ 5	+26	+20	− 7	+9.0	+15.4	●
Deviled Ham & Other Meat Products	18.7	+ 2	−23	+10	+20	− 2	+ 6	+9.3	+15.2	●
Dry Soup/Bouillon Cubes (HU)*	15.7	−19	−16	+ 3	+18	+14	+ 3	+8.8	+14.7	●
Chicken, Canned	9.3	−27	−11	−16	+23	+ 1	+26	+8.8	+14.5	◐
Olives (HU)	6.7	+ 2	− 3	+23	+27	− 8	−38	+8.9	+14.3	◐
Chili, Canned (HU)	6.0	+26	− 4	+26	+14	−12	−39	+8.2	+13.3	○

*(HU) = Heavy Users

1988-2000
Avg. Category Growth: +12.6%
Base Group Growth: +12.1%
Many of the product categories shown here have been sold by supermarkets as long as there have been supermarkets. What's more, most are expected to grow in their number of users as an average or above-average rate straight into the 21st century. The reason is simply because they draw a disproportionate share of their users from those 35-to-54, and that's where our strongest expansion in households will be.

GROWTH IN USERS, 1988-2000

● HOT ◐ WARM ○ AVERAGE ● COOL ● COLD

Source: Mediamark Research, Inc.

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WHAT'S HOT, WHAT'S NOT

PACKAGED SPECIALTY FOODS (BASE = FEMALE HOMEMAKERS)	PERCENT WHO USE (1988)	USE BY AGE (VS. AVERAGE) BY PERCENTAGE 18-24	25-34	35-44	45-54	55-64	65+	GROWTH IN USERS (VS. 1988, IN PCT.) 1995	2000	
Tuna, Canned (HU)	21.1	- 4	+ 3	+21	+15	+ 9	-44	+8.0	+13.2	○
Pasta, Packaged (HU)	25.8	- 8	+12	+21	+16	+ 4	-50	+7.8	+12.6	○
Mexican Foods (HU)	9.2	+29	+17	+35	+20	-39	-61	+8.2	+12.3	○
Potatoes, Instant (HU)	5.0	- 4	+ 5	+26	- 9	-39	+ 4	+8.4	+12.1	○
Soup, Canned/Jarred (HU)	43.8	—	+ 9	+ 4	+ 2	+ 3	-20	+7.1	+11.6	○
Rice (HU)	12.1	+33	- 2	+12	- 3	- 3	-22	+7.0	+11.6	○
Rice, Flavored, Seasoned (HU)	10.0	+25	+30	+14	+ 3	-14	-60	+6.3	+9.8	●
Stews, Canned	17.0	+20	+ 8	+ 4	- 6	+ 2	-22	+6.5	+10.8	●
Prepared Dishes/Dinner Mixes, Packaged (HU)	15.3	+37	+23	+33	- 9	-38	-49	+6.8	+9.9	●
Pasta, Canned/Jarred (HU)	5.7	+71	+14	+44	-17	-37	-61	+6.5	+9.6	●

*(HU) = Heavy Users

Canned tuna's growth, at 13.2%, will be in the upper range of our average classification. In raw population numbers, that translates to an increase of more than two million heavy users (four or more cans in the last 30 days) of canned tuna by the year 2000. A quick projection shows that supers will be selling at least 100 million more cans of tuna in 2000 than today.

Categories like dinner mixes and canned pastas draw disproportionately on younger adults for their sales and will see their sales rate relatively repressed as a result.

SAUCES (BASE = FEMALE HOMEMAKERS)	PERCENT WHO USE (1988)	USE BY AGE (VS. AVERAGE) BY PERCENTAGE 18-24	25-34	35-44	45-54	55-64	65+	GROWTH IN USERS (VS. 1988, IN PCT.) 1995	2000	
Gravy/Sauce Mixes (HU)*	7.5	-18	+11	+33	+30	-35	-38	+ 9.6	+14.3	◐
Spaghetti Sauce (HU)	11.7	+16	+ 7	+20	+31	-28	-42	+8.7	+13.6	◐
Soy Sauce	42.3	- 7	+ 9	+11	+ 7	- 8	-20	+7.8	+12.2	○
BBQ/Seasoning Sauces, Bottled (HU)	19.0	+ 8	+27	+28	+ 9	-18	-64	+7.3	+11.0	○

*(HU) = Heavy Users

1988-2000
Avg. Category Growth: + 12.8%
Base Group Growth: + 12.1%
It's busy, middle-aged female homemakers with above-average-sized households who keep the sauces section of the supermarket humming. Usage declines precipitously after age 55. Sporting the youngest profile of the categories shown here, barbeque sauces are the most at risk from changing demographic trends.

SNACKS (BASE = FEMALE HOMEMAKERS)	PERCENT WHO USE (1988)	USE BY AGE (VS. AVERAGE) BY PERCENTAGE 18-24	25-34	35-44	45-54	55-64	65+	GROWTH IN USERS (VS. 1988, IN PCT.) 1995	2000	
Pretzels (HU)*	4.3	+ 5	—	+36	+40	-24	-56	+9.7	+15.1	●
Popping Corn/Popcorn Snacks (HU)	19.5	-20	+11	+26	+29	-10	-47	+8.9	+13.9	◐
Corn/Tortilla Chips & Cheese Snacks (HU)	10.0	+21	+16	+48	+15	-49	-58	+8.7	+12.6	○
Potato Chips (HU)	20.1	+10	+29	+29	+ 7	-33	-56	+7.5	+10.9	○
Nuts, Snack (HU)**	11.0	- 3	+ 5	+ 3	- 1	+11	-16	+5.2	+9.6	○
Meat Snacks (HU)	4.8	+54	+23	+23	- 7	-38	-48	+6.4	+9.5	●

*(HU) = Heavy Users **Base = Adults

1988-2000
Avg. Category Growth: + 11.9%
Base Group Growth: + 12.1%
With the successful marketing of its many microwave varieties, popcorn has evolved from old standby to a hot new category that's advertised and displayed with enthusiasm. Already favored by the projected swelling in numbers of those between 35-and-54, the rage for popcorn should see its number of heavy users growing at an even greater rate than the 13.9% shown here. Forecasts for most snacks are restrained by their dependence on younger-adult snackers.

SOFT DRINKS (BASE = ADULTS)	PERCENT WHO USE (1988)	USE BY AGE (VS. AVERAGE) BY PERCENTAGE 18-24	25-34	35-44	45-54	55-64	65+	GROWTH IN USERS (VS. 1988, IN PCT.) 1995	2000	
Cola Drinks, Diet (HU)*	18.4	-10	+ 1	+20	+18	- 1	-29	+6.6	+11.5	◐
Soft Drinks, Diet (Not Cola) (HU)	7.2	-11	+ 6	-17	+ 5	+11	+ 9	+5.3	+9.9	○
Water, Bottled	15.9	+17	+23	+ 2	- 3	-24	-33	+4.3	+7.6	●

*(HU) = Heavy Users

1988-2000
Avg. Category Growth: + 8.2%
Base Group Growth: + 10.4%
Looking for successes over the next decade in the soft drinks department will be simple: Just look for the word "diet." Both diet colas and other diet soft drinks lead the list, as weight-conscious over-45s lead the way.

GROWTH IN USERS, 1988-2000

● HOT ◐ WARM ○ AVERAGE ● COOL ● COLD

Continued on page 52

Source: Mediamark Research, Inc.

WHAT'S HOT, WHAT'S NOT

SOFT DRINKS (BASE = ADULTS)	PERCENT WHO USE (1988)	USE BY AGE (VS. AVERAGE) BY PERCENTAGE 18-24	25-34	35-44	45-54	55-64	65+	GROWTH IN USERS (VS. 1988, IN PCT.) 1995	2000	
Soft Drinks, Regular (Not Cola) (HU)	12.5	+23	+17	−15	−13	−10	−12	+3.6	+7.0	●
Cola Drinks, Regular, Not Diet (HU)	17.1	+54	+31	+ 1	−18	−39	−54	+2.5	+5.0	●

*(HU) = Heavy Users

Sugared versions of these soft drinks will see their growth restrained, however, with their prime 18-to-34 constituency shrinking in numbers.

SPICES/EXTRACTS/MISC. (BASE = FEMALE HOMEMAKERS)	PERCENT WHO USE (1988)	USE BY AGE (VS. AVERAGE) BY PERCENTAGE 18-24	25-34	35-44	45-54	55-64	65+	GROWTH IN USERS (VS. 1988, IN PCT.) 1995	2000	
Salt Substitute (HU)*	4.0	− 2	−23	− 5	+31	+26	− 8	+8.7	+15.4	●
Non-Stick Cooking Products, Aerosol	37.8	−30	−12	+10	+ 8	+14	+ 3	+8.7	+14.2	◐
Extracts	42.7	−23	− 7	+10	+11	+16	−10	+8.4	+13.8	◐
Salt (HU)	10.2	+ 5	+ 8	− 1	+16	− 3	−22	+7.6	+12.4	○
Seasonings/Spices (HU)	12.0	− 9	+23	+33	+ 4	−14	−55	+7.6	+11.4	○
Meat/Fish Extenders	26.0	+58	+26	+ 5	− 1	−33	−44	+5.9	+9.2	●

*(HU) = Heavy Users

1988-2000
Avg. Category Growth: +12.7%
Base Group Growth: +12.1%
The hot rating awarded to salt substitutes, with a projected growth rate of 15.4%, is based on the great swelling in the number of its primary users aged 45-to-54. But consideration of such non-demographic factors as growing concern for healthy eating habits could lead to a growth rate that's considerably higher. Youth-oriented meat and fish extenders, however, will show relatively slow growth as their base erodes.

WINE (BASE = ADULTS)	PERCENT WHO USE (1988)	USE BY AGE (VS. AVERAGE) BY PERCENTAGE 18-24	25-34	35-44	45-54	55-64	65+	GROWTH IN USERS (VS. 1988, IN PCT.) 1995	2000	
Vermouth	3.1	−38	−42	−19	+73	+37	+34	+9.5	+17.6	●
Port/Sherry/Dessert Wines	4.6	−23	−23	− 3	+11	+15	+39	+7.2	+12.9	●
Domestic Dinner/Table Wines	26.9	−16	+ 4	+ 9	+19	+ 1	−18	+6.5	+11.4	○
Imported Dinner/Table Wines	11.7	−18	+28	+29	− 6	−12	−45	+5.4	+ 8.7	●
Champagne/Cold Duck/ Sparkling Wine	14.0	− 1	+33	+ 4	− 7	−14	−37	+4.2	+7.3	●
Sangria/Party/Pop Wines	2.2	+21	+36	+16	− 4	−31	−66	+3.9	+6.8	●
Wine & Spirits Coolers	21.7	+54	+31	+14	−23	−46	−61	+2.6	+5.0	●

1988-2000
Avg. Category Growth: +10.0%
Base Group Growth: +10.4%
With a properly modulated mix, wine departments of supers can expect to thrive over the next decade. Mature sippers will help to swell sales of both vermouth and dessert-type wines enough to earn both a rating of hot growth. Domestic table wines are not far behind.

To the degree its demographic profile qualifies it to be called "kid stuff," sangria/party/pop wines will flow with restraint.

DRY GROCERY (NON-FOODS)

HOUSEHOLD CLEANERS (BASE = FEMALE HOMEMAKERS)	PERCENT WHO USE (1988)	USE BY AGE (VS. AVERAGE) BY PERCENTAGE 18-24	25-34	35-44	45-54	55-64	65+	GROWTH IN USERS (VS. 1988, IN PCT.) 1995	2000	
Drain Cleaners (HU)*	3.3	−34	−24	+20	+59	+ 8	−25	+11.0	+18.3	●
Scouring Pads (HU)	12.5	−34	−15	+12	+42	+12	−19	+10.0	+16.5	●
Metal Polish	23.5	−51	−26	—	+21	+30	+21	+ 9.6	+16.1	●
Furniture Polish (HU)	21.2	−16	− 3	+21	+32	− 3	−33	+ 9.3	+14.9	●
In-Bowl Toilet Bowl Cleaners (HU)	11.4	−14	−14	+11	+18	+ 7	− 6	+ 8.9	+14.7	●
Scouring Powder (HU)	10.9	−28	− 4	+10	+25	− 1	−11	+ 9.1	+14.6	●
In-Tank Toilet Bowl Cleaners (HU)	9.0	−26	− 5	+14	+21	+14	−23	+ 8.8	+14.4	◐

1988-2000
Avg. Category Growth: +14.5%
Base Group Growth: +12.1%
Every household cleaning product has a projected growth rating of average or better, with half qualifying as hot. So store managers shouldn't be surprised to see this department register outstanding growth in the '90s.

Nondemographic factors must, of course, also be taken into consideration. Just what the correlation is between the rise of microwaves and use of oven cleaners remains to be seen.

GROWTH IN USERS, 1988-2000

● HOT ◐ WARM ○ AVERAGE ● COOL ● COLD

Continued on page 54

Source: Mediamark Research, Inc.

WHAT'S HOT, WHAT'S NOT

HOUSEHOLD CLEANERS (BASE = FEMALE HOMEMAKERS)	PERCENT WHO USE (1988)	USE BY AGE (VS. AVERAGE) BY PERCENTAGE 18-24	25-34	35-44	45-54	55-64	65+	GROWTH IN USERS (VS. 1988, IN PCT.) 1995	2000	
Glass Cleaners (HU)	15.3	-27	+ 9	+22	+20	- 2	-37	+ 8.7	+13.6	◐
Carpet/Rug Cleaners (HU)	9.5	- 3	+ 7	+14	+23	-14	-30	+ 8.4	+13.3	○
Oven Cleaners (HU)	5.4	-26	+ 9	- 8	+25	-11	- 1	+ 8.4	+13.3	○
Household Cleaners (HU)	28.5	- 8	+10	+18	+ 8	+ 3	-37	+ 7.7	+12.3	○
Floor Wax/Polish (HU)	8.0	-24	+21	+39	+ 6	-15	-51	+ 8.2	+12.2	○

*(HU) = Heavy Users

The leaders of the pack are especially popular with homemakers between 45 and 54. A homemaker of that description is 59% more likely than the average homemaker to be a heavy user of drain cleaners (two or more containers in the last six months) than is the average homemaker. Application of this and most other products is relatively sparse among younger under-35 homemakers and among seniors.

HOUSEHOLD SUPPLIES (BASE = FEMALE HOMEMAKERS)	PERCENT WHO USE (1988)	USE BY AGE (VS. AVERAGE) BY PERCENTAGE 18-24	25-34	35-44	45-54	55-64	65+	GROWTH IN USERS (VS. 1988, IN PCT.) 1995	2000	
Insecticides, Outdoor (HU)*	3.5	-62	-36	+14	+21	+51	+ 8	+10.0	+17.2	●
Water Conditioners	4.5	-13	-48	-42	+21	+51	+61	+ 8.6	+16.1	●
Light Bulbs (HU)	19.2	-23	—	+48	+23	- 7	-53	+ 9.6	+15.9	●
Insect Repellents (HU)	8.5	-19	+ 9	+29	+16	- 4	-44	+ 8.5	+13.3	○
Air Freshener Sprays/ Room Deodorizers (HU)	13.1	-18	+ 1	—	+16	+ 9	-10	+ 8.1	+13.3	○
Rubber Gloves (HU)	5.5	-20	+ 3	- 7	+20	+40	-32	+ 7.3	+13.0	○
Cellophane/Transparent Tape (HU)	20.2	-39	- 3	+46	+23	- 2	-43	+ 7.2	+12.5	○
Insecticides, Indoor (HU)	9.5	-22	+ 6	- 5	- 9	+39	-14	+ 6.4	+11.2	○
Charcoal (HU)	12.2	- 1	+51	+23	+ 5	-30	-74	+ 6.4	+ 9.1	●

*(HU) = Heavy Users

1988-2000
Avg. Category Growth: +13.5%
Base Group Growth: +12.1%
The apparent laissez-faire attitude of younger homemakers regarding insect control appears to change as they enter middle age. With this middle-aged group forecast to grow fastest in the '90s, bug-bombing will increase in intensity, especially outdoors. What will not grow as fast outdoors, however, is barbecuing, a cooking style that smokes out little enthusiasm among the elderly.

By 2000 there will be a 15.9% increase in the number of heavy users of light bulbs (eight bulbs or more in the last six months), assuring maintenance of the strategic end-aisle locations they frequently occupy.

LAUNDRY SUPPLIES (BASE = FEMALE HOMEMAKERS)	PERCENT WHO USE (1988)	USE BY AGE (VS. AVERAGE) BY PERCENTAGE 18-24	25-34	35-44	45-54	55-64	65+	GROWTH IN USERS (VS. 1988, IN PCT.) 1995	2000	
Laundry Pre-Treatments/ Pre-Cleaners (HU)*	7.8	-58	+24	+19	+54	-26	-46	+10.1	+15.1	●
Bleach (HU)	21.9	-26	+ 3	+35	+21	- 8	-39	+ 9.2	+14.3	◐
Soap/Detergent, Fine Fabrics (HU)	10.7	-10	-13	+ 7	+16	+28	-19	+ 8.2	+14.1	◐
Fabric Softeners (HU)	17.7	-37	+24	+62	+26	-32	-79	+ 9.7	+13.8	◐
Soap/Detergent, Regular Laundry (HU)	25.6	-33	+22	+54	+22	-25	-71	+ 9.3	+13.6	◐
Starch	32.2	- 6	+ 1	+ 3	+13	+10	-20	+ 7.7	+12.9	○

*(HU) = Heavy Users

1988-2000
Avg. Category Growth: +14.0%
Base Group Growth: +12.1%
Washers and dryers get their most vigorous workouts in households where the female homemaker is between 35 and 54. This is enough to put the laundry supplies department on the fast track for the '90s.

Laundry pre-treatments and pre-cleaners are especially popular with the 45-to-54 group, 11.9% of whom are heavy users (five or more washloads a week).

PAPER/PLASTIC PRODUCTS (BASE = FEMALE HOMEMAKERS)	PERCENT WHO USE (1988)	USE BY AGE (VS. AVERAGE) BY PERCENTAGE 18-24	25-34	35-44	45-54	55-64	65+	GROWTH IN USERS (VS. 1988, IN PCT.) 1995	2000	
Waxed Paper (HU)*	5.1	-52	-39	+ 2	+35	+22	+32	+10.7	+18.1	●
Paper Napkins (HU)	7.9	-56	-33	+29	+27	+12	+10	+11.0	+17.8	●
Disposable Plates (HU)	7.3	-51	-15	+27	+37	+20	-29	+10.3	+16.7	●

*(HU) = Heavy Users

1988-2000
Avg. Category Growth: +12.7%
Base Group Growth: +12.1%
Often overshadowed by more glamorous plastic competition, waxed paper may reassert itself in supermarket paper goods departments in the '90s. Not only are demographics in its favor, but it will find new friends as its compatibility to microwave cookery is promoted.

GROWTH IN USERS, 1988-2000

● HOT ◐ WARM ○ AVERAGE ● COOL ● COLD

Continued on page 56

Source: Mediamark Research, Inc.

WHAT'S HOT, WHAT'S NOT

PAPER/PLASTIC PRODUCTS (BASE = FEMALE HOMEMAKERS)	PERCENT WHO USE (1988)	USE BY AGE (VS. AVERAGE) BY PERCENTAGE 18-24	25-34	35-44	45-54	55-64	65+	GROWTH IN USERS (VS. 1988, IN PCT.) 1995	2000	
Plastic-Type Kitchen Wrap (HU)	18.4	−30	−11	+14	+26	+16	−18	+ 9.2	+15.2	●
Disposable Household Wipes	16.3	−23	−21	− 7	+16	+29	+13	+ 8.5	+14.7	●
Facial Tissues (HU)	26.4	−46	−14	+12	+ 9	+22	+ 4	+ 9.0	+14.7	●
Paper Towels (HU)	20.9	−40	—	+12	+25	+16	−25	+ 8.9	+14.5	○
Plastic Sandwich/Food Storage/ Freezer Bags (HU)	13.3	−32	−12	+ 9	+ 8	+31	− 8	+ 8.3	+14.1	○
Aluminum Foil (HU)	12.2	− 4	− 4	+20	+14	+ 2	−27	+ 8.4	+13.7	○
Oven Cooking Bags	13.8	−12	+ 6	—	+19	+ 2	−18	+ 8.0	+13.0	○
Disposable Cups (HU)	6.7	−42	+15	+49	+ 1	− 1	−53	+ 8.6	+12.8	○
Plastic Garbage Bags/Trash Can Liners (HU)	45.0	− 3	+ 6	+ 2	+ 7	− 3	−13	+ 7.6	+12.2	○
Toilet Paper (HU)	33.9	− 1	+13	+27	+ 4	− 8	−45	+ 7.7	+11.9	○
Pre-Moistened Cleansing Wipes	16.2	+68	+78	−18	−36	−40	−61	+ 2.2	+ 2.6	●
Disposable Diapers	12.0	+160	+95	−34	−57	−63	−77	− 0.8	− 1.9	●

*(HU) = Heavy Users

Although not the purpose for which they are designed, some of the other products on the list will also benefit from popularity as microwave accessories: disposable plates, plastic-type kitchen wrap, paper towels and oven cooking bags.

The two categories that bottom out the list are, appropriately, premoistened cleansing wipes and disposable diapers. As there will be substantially fewer female homemakers in the 18-to-34 range in 2000 compared to today, so too will there be fewer babies with a crying need for either of these products.

PET PRODUCTS (BASE = FEMALE HOMEMAKERS)	PERCENT WHO USE (1988)	USE BY AGE (VS. AVERAGE) BY PERCENTAGE 18-24	25-34	35-44	45-54	55-64	65+	GROWTH IN USERS (VS. 1988, IN PCT.) 1995	2000	
Dog Food, Canned	14.4	−33	−11	+22	+28	+ 2	−16	+9.8	+15.7	●
Dog Food, Moist	6.1	−30	−12	+23	+12	+20	−18	+8.9	+14.6	●
Dog Biscuits/Treats	18.9	−24	—	+26	+16	+ 4	−31	+8.8	+14.0	○
Flea/Tick Care Products for Dogs/Cats	24.1	−15	+ 4	+32	+13	+ 3	−45	+8.4	+13.3	○
Dog Food, Dry	28.7	−17	+10	+33	+15	− 7	−48	+8.5	+13.1	○
Cat Food, Canned	13.9	− 3	+ 3	+23	+12	−13	−28	+8.4	+13.1	○
Cat Food, Moist	7.8	+ 2	+ 3	+20	+ 8	− 7	−28	+8.0	+12.7	○
Cat Food, Dry	20.6	+ 3	+14	+34	− 4	−20	−38	+7.7	+11.5	○
Cat Litter	15.9	+22	+20	+22	+ 7	−23	−50	+7.3	+11.1	○
Cat Treats	6.8	+61	+10	+ 9	− 9	− 6	−41	+5.8	+9.8	●

*(HU) = Heavy Users

1988-2000
Avg. Category Growth: + 12.9%
Base Group Growth: + 12.1%
Never mind how old the dog or cat is. How old is the owner? Most of the time the answer is likely to be somewhere between 35 and 44.

For cats, the 35-to-44 group are the best customers for canned, moist and dry food as well as cat litter. Slack performance among that other fast-growing group (45-to-54), however, suppresses the prospects for these products to the average level. And cats who look to 18-to-24s to toss them treats will be disappointed to learn of this group's dim demographic prospects.

Products to feed dogs find favor with both the 35-to-44 and 45-to-54 groups, pushing their forecast up to the top of the list.

SOAPS, NON-LAUNDRY (BASE = FEMALE HOMEMAKERS)	PERCENT WHO USE (1988)	USE BY AGE (VS. AVERAGE) BY PERCENTAGE 18-24	25-34	35-44	45-54	55-64	65+	GROWTH IN USERS (VS. 1988, IN PCT.) 1995	2000	
Heavy-Duty Hand Cleaner	17.4	− 5	−10	− 1	+20	+25	−18	+8.0	+13.9	◐
Automatic Dishwashing Detergent	44.2	−26	+ 4	+23	+12	+ 3	−29	+8.5	+13.5	◐
Dishwashing Liquid (HU)*	10.8	−43	+15	−18	+ 3	+15	+ 6	+7.1	+11.6	○

*(HU) = Heavy Users

1988-2000
Avg. Category Growth: + 13.0%
Base Group Growth: + 12.1%
Almost half of female homemakers use automatic dishwashing detergent. The number of users should grow over the next decade as the incidence of washers grows and as the heavy-using 35-to-54 group grows in number.

GROWTH IN USERS, 1988-2000

● HOT ◐ WARM ○ AVERAGE ● COOL ● COLD

Continued on page 88

Source: Mediamark Research, Inc.

WHAT'S HOT, WHAT'S NOT

TOBACCO

	PERCENT WHO USE	USE BY AGE (VS. AVERAGE) BY PERCENTAGE						GROWTH IN USERS (VS. 1988, IN PCT.)		
	(1988)	18-24	25-34	35-44	45-54	55-64	65+	1995	2000	
Pipe Tobacco[1]	3.0	−33	−29	+16	+17	+18	+36	+8.4	+14.7	●
Cigarettes[2] (HU)*	11.7	−14	+ 6	+25	+24	+13	−55	+6.4	+11.6	◐
Cigars[1]	4.4	+15	− 3	+ 3	+ 1	—	−18	+5.3	+10.1	○
Cigarillos/Little Cigars[2]	1.8	+10	+26	−19	+16	−17	−27	+4.5	+ 8.3	●
Disposable Lighters[2] (HU)	12.4	+22	+20	+ 4	—	− 7	−51	+3.6	+ 7.4	●
Chewing & Smokeless Tobacco[1]	6.3	+75	+13	−58	−10	− 2	−19	+1.2	+ 4.9	●

[1]Men [2]Adults *(HU) = Heavy Users

1988-2000
Avg. Category Growth: +9.5%
Obviously, the prospects for growth of the individual categories in this group over the next decade are influenced by factors more complex than changing demographics. But that does not deny that demographics comprise the stage on which any changes will be acted out.

Incidence of pipe smoking has traditionally increased with age, just as use of chewing and smokeless tobacco has decreased.

DAIRY

DAIRY (BASE = FEMALE HOMEMAKERS)	PERCENT WHO USE	USE BY AGE (VS. AVERAGE) BY PERCENTAGE						GROWTH IN USERS (VS. 1988, IN PCT.)		
	(1988)	18-24	25-34	35-44	45-54	55-64	65+	1995	2000	
Cottage Cheese (HU)*	9.1	−55	−29	−10	+19	+20	+47	+9.8	+16.2	●
Cream Cheese (HU)	7.6	−36	− 8	+15	+26	+ 2	−10	+9.5	+15.2	●
Spread Cheese	26.3	−24	− 7	+10	+27	+ 3	−13	+9.1	+14.8	●
Butter (HU)	6.9	+ 7	− 7	+11	+31	+ 6	−35	+8.6	+14.4	◐
Cheese, Natural/Imported (HU)	7.2	−15	+22	+23	+39	−41	−46	+9.3	+13.8	◐
Margarine (HU)	18.3	−16	− 5	+21	+ 5	+11	−21	+8.2	+13.4	◐
Dough Products, Refrigerated (HU)	10.4	− 4	− 7	+23	+ 4	+ 3	−18	+8.3	+13.3	○
Yogurt (HU)	13.6	− 5	+13	+33	+14	−23	−44	+8.5	+12.8	○
Sour Cream (HU)	5.4	+16	− 4	+20	—	+11	−33	+7.4	+12.4	○
Orange Juice (Not Frozen) (HU)	8.3	− 3	+14	+34	+ 3	−11	−49	+7.8	+11.9	○
Milk, Fresh (HU)	29.9	− 8	+21	+31	+ 6	−14	−52	+7.7	+11.7	○
American, Pasteurized, Processed Cheese (HU)	16.7	− 6	+26	+16	+ 9	−29	−34	+7.6	+11.3	○
Ready-to-serve Dips (HU)	4.6	+72	+ 5	+ 9	+ 7	− 7	−51	+6.3	+10.8	●

*(HU) = Heavy Users

1988-2000
Avg. Category Growth: +13.2%
Base Group Growth: +12.1%
Cottage cheese shows substantial incremental increases in heavy usage up the age scale from 4.1% among female homemakers 18-to-24 all the way up to 13.3% among those 65 and over. Mostly a steady if staid performer in the dairy department, cottage cheese looks like a category whose decade—the '90s—has come.

Almost as hot are the prospects for cream cheese and spread cheese, both of which have their strength anchored in the exploding 45-to-54 age slot.

Both butter and margarine will gather heavy users faster than stores will gain female homemakers. Neither has many advocates, however, at either the high or low end of the age scale.

The reliance of dips on 18-to-24s, whose incidence of heavy usage is outstanding, bodes poorly for its future as that age group shrinks.

PRODUCE

PRODUCE DEPT. (BASE = FEMALE HOMEMAKERS)	PERCENT WHO USE	USE BY AGE (VS. AVERAGE) BY PERCENTAGE						GROWTH IN USERS (VS. 1988, IN PCT.)		
	(1988)	18-24	25-34	35-44	45-54	55-64	65+	1995	2000	
Dried Fruit (HU)*	7.4	−47	−44	− 2	+17	+47	+36	+9.7	+17.1	●
Fruit, Fresh (HU)	30.6	−45	−16	+10	+15	+29	− 1	+9.0	+15.0	●
Vegetables, Fresh (HU)	29.4	−34	− 7	+15	+19	+24	−23	+8.8	+14.6	●

*(HU) = Heavy Users

1988-2000
Avg. Category Growth: +15.6%
Base Group Growth: +12.1%
The produce department appears poised to continue its surge through the next decade. Produce is often a store's signature department, first in line and therefore charged with communicating image.

GROWTH IN USERS, 1988-2000

● HOT ◐ WARM ○ AVERAGE ● COOL ● COLD

Continued on page 60

Source: Mediamark Research, Inc.

FROZEN FOOD

FROZEN FOODS (BASE = FEMALE HOMEMAKERS)	PERCENT WHO USE (1988)	USE BY AGE (VS. AVERAGE) BY PERCENTAGE 18-24	25-34	35-44	45-54	55-64	65+	GROWTH IN USERS (VS. 1988, IN PCT.) 1995	2000	
Chicken, Breaded (HU)*	4.6	-15	-17	+33	+18	-18	- 5	+10.0	+15.5	●
Vegetables, Plain (HU)	10.2	-37	- 3	+23	+32	+ 8	-34	+ 9.5	+15.3	●
Ice Cream/Milk/Sherbert (HU)	21.3	-38	-12	+38	+14	+ 7	-23	+ 9.7	+15.2	●
Vegetables, Prepared (HU)	16.0	-38	- 4	+19	+ 9	+ 3	- 6	+ 8.9	+14.0	◕
Seafood (HU)	10.0	-25	- 8	+11	+ 7	+21	-11	+ 8.2	+13.7	◕
Desserts (HU)	7.7	-27	-12	- 1	+ 4	+13	+16	+ 8.4	+13.7	◕
Main Courses (HU)	13.3	+12	-12	+19	+ 6	- 8	- 8	+ 8.5	+13.6	◕
Pizza (HU)	13.6	+25	+ 1	+37	+18	-24	-50	+ 8.6	+13.4	◕
Orange Juice (HU)	11.4	- 8	+10	+45	+ 8	-29	-42	+ 8.9	+13.0	○
Breakfasts	3.8	+ 4	+15	+14	+24	+ 6	-60	+ 7.5	+12.4	○
Complete Dinners (HU)	11.6	+ 3	-12	+ 3	-12	- 5	+25	+ 7.8	+12.4	○
Waffles	29.8	-14	+15	+12	+ 2	-14	-16	+ 7.7	+11.7	○
Pancakes/French Toast	15.0	+11	+ 7	+13	- 8	-10	-15	+ 7.2	+11.2	○
Ice Cream Novelties	44.6	+ 8	+27	+13	- 1	-20	-39	+ 6.7	+10.2	◕
Snacks, Hot	19.2	+29	+44	+ 2	- 6	-33	-46	+ 5.5	+ 8.1	●

*(HU) = Heavy Users

1988-2000
Avg. Category Growth: + 12.8%
Base Group Growth: + 12.1%
Nineteen of the categories displayed in the frozen food case are analyzed here, with nine promising above-average performance over the next decade based on demographic factors, and only three registering as below average.

Regular ice cream draws much of its strength from homemakers aged 35-to-54, so it's no surprise that this category is projected to increase its user base by a hot 15.2% before the year 2000. In contrast, ice cream novelties are most favored by those 25-to-34, the group likely to nurture popsicle-prone children. The number of these households will melt over the next decade, chilling the growth rate for novelties at the same time.

Among the section's heaviest sales hitters, both plain and prepared vegetables promise above-average growth, along with main courses and pizza. Other anchors, such as orange juice and complete dinners, will show a growth rate that's respectably in line with the overall increase in the number of female homemakers.

MEAT

REFRIGERATED MEATS (BASE = FEMALE HOMEMAKERS)	PERCENT WHO USE (1988)	USE BY AGE (VS. AVERAGE) BY PERCENTAGE 18-24	25-34	35-44	45-54	55-64	65+	GROWTH IN USERS (VS. 1988, IN PCT.) 1995	2000	
Liver Sausage (Liverwurst)	12.0	-49	-34	-12	+34	+49	+19	+9.6	+17.1	●
Turkey, Whole, Frozen	11.9	-49	- 8	+ 4	+44	+24	-23	+9.6	+16.1	●
Turkey, Whole, Fresh	8.7	-45	- 5	+20	+25	+27	-33	+9.1	+15.0	●
Bacon/Breakfast Strips (HU)*	17.8	-10	- 5	+14	+17	+17	-30	+8.3	+13.8	◕
Hams, Canned (HU)	4.3	-58	- 5	-11	+10	+56	- 3	+7.7	+13.7	◕
Sausage (HU)	23.8	-23	+ 1	+ 9	+16	+ 3	-15	+8.4	+13.6	◕
Meat, Fresh or Frozen (HU)	20.8	-25	+10	+39	+13	- 6	-50	+8.7	+13.3	○
Frankfurters/Weiners (HU)	15.6	- 7	+ 9	+31	+ 8	-17	-36	+8.4	+12.7	○
Cold Cuts (HU)	39.3	- 4	+15	+22	+19	- 4	-46	+8.1	+12.6	○
Chicken, Fresh	48.7	-16	+ 6	- 1	+10	+ 1	- 9	+7.8	+12.5	○

*(HU) = Heavy Users

1988-2000
Avg. Category Growth: + 13.4%
Base Group Growth: + 12.1%
No longer confined to holidays-only status, turkey—either frozen or fresh—will continue to enhance its big-bird status during the 1990s. Turkey's strength is centered in homemakers aged 45-to-54, a group whose growth by 55.1% during the decade can only help turkeys gobble up an increasing share of meat department sales.

Such non-fresh meat offerings as bacon, canned ham and sausage all rate a warm rating as they maintain their place on the tables of middle-aged family households.

Both frozen chicken and cornish hens should bump along at a steady if below-average rate.

GROWTH IN USERS, 1988-2000

● HOT ◕ WARM ○ AVERAGE ● COOL ● COLD

Continued on page 63

Source: Mediamark Research, Inc.

instore BUSINESS

SEVENTH ANNUAL OPERATIONS REPORT

SERVICE DELI REVIEW

The annual review of service deli operations shows a healthy rise in deli sales, due primarily to an increase in the average amount of each transaction, and to the growth of deli units in operation.

BY DAVID LITWAK, DIRECTOR OF RESEARCH

Service deli—it's a concept so simple, yet so ripe with potential that you just have to love it. In its pure form, the delicatessen is simply defined as "a shop that sells cooked or prepared foods ready for serving."

Using an extension of the original deli concept, we can add notions such as taking our reputation for high-quality fresh food and preparing those raw ingredients into wonderful finished food products. We can bring in concepts such as value added, upscale, convenience, high margins, image building, changing lifestyles and service.

These concepts serve to enhance the appeal of the department to the operator, and the appeal of the food to the consumer. In the end, the deli is successful to the consumer because of taste, freshness, aroma, eye appeal, image appeal and excitement. It is probably no coincidence that in the dictionary, the word *delicatessen* is directly in between the words, *delicacy* and *delicious*.

In the retailer's own dictionary the word *delicatessen* comes between the words *opportunity* and *profitability*. Of course, in the definition of delicatessen there are the phrases, *labor involvement, sanitation concerns, equipment, adequate promotion, product mix and preparation, and traffic counts*.

In this Seventh Annual Operations Report on Service Delis, SUPERMARKET BUSINESS looks at some of the successes and problems that operators experienced during the last year in their deli operations. Fortunately, the successes have been many, and the opportunities generally make the problems worth tackling.

Sales and units take off

Double-digit growth is a feat that is hard to accomplish for any area of the store. The service deli has managed to exhibit double-digit growth in each of the last seven years. Last year, sales in service deli units grew at the rate of 20.7 percent, with total sales climbing to the $9.56 billion mark.

The growth in total deli sales can be explained on two levels. First, there is a continued emphasis on deli departments on the part of retailers. A deli seems to have become an almost indispensable part of every new store or remodel. In 1988 there were approximately 900 new deli units created, in both remodeled and new stores. Service delis, therefore, have not lost their appeal for retailers, as they are now present in 64.6 percent of all supermarkets.

The deli may be a way for other classes of trade to not only start competing with traditional foodservice operators, but also with supermarkets. Service delis are becoming bigger and are offering more sophisticated products in many of the nation's small grocery and convenience stores.

Especially among convenience stores, the trend is particularly troubling to supermarket operators. Supermarkets may soon be faced with having their deli, which is offering convenience, competing with a more convenient deli in the convenience store down the street. It is imperative that the supermarket begin establishing customer loyalty through unique products and services for its deli department.

An increase in units alone does not begin to explain the huge increase in deli sales last year. While the number of deli units was up, the average sales per unit also increased. The sales per unit increased an average of 15.2 percent, to a new high of $9,332 per unit. The average amount of each deli transaction increased to $3.50, which helps to account for the added deli sales.

The increase in sales per unit is significant because it points to an overall increase in the deli volume done,

CENSUS 3A
SALES, MARGINS & PRODUCT MIX 4A
SPACE, LOCATION & EQUIPMENT 6A
LABOR & SERVICE 9A
PRODUCTION & SUPPLY 10A
MERCHANDISING & CUSTOMERS 12A

beyond what can be accounted for by just having more delis. Service deli products are becoming a more important part of America's eating routine.

Lifestyle is certainly a significant factor in the continued success of the service deli. Convenience in meal preparation is still a major factor in food purchasing decisions in today's busy households. Many people care more about the food they eat, but simply can't take the time to prepare it themselves.

It's no wonder that the product mix of the service deli has shifted in recent years. While sliced meat and cheese sales (35.3 percent and 17.7 percent, respectively) still dominate the department, prepared foods have made great inroads. Entrees, both hot and cold, now account for 7.1 percent of all deli sales, pizza is up to 6.9 percent, sandwiches are up to 6.5 percent and chicken and ribs, while down slightly, still total more than 10 percent of the department's total.

One interesting area is the cold salad category. This has traditionally been one of the big three categories in the deli, along with sliced meats and cheeses. This year, the category accounted for 14.6 percent of the department's sales, an increase over the 13.8 percent in 1987. The increase has been caused by an influx of nontraditional products into this traditional category.

The salad category was always considered a side dish category. Basically, it consisted of mayonnaise-based potato salad, cole slaw and macaroni salads, with a few other similar salad variations. If anything, sales of the "big three" salads have leveled off, or declined. Growth has come from a group of more exotic specialty salads, such as tortellini, crab, artichoke and others. The category has been transformed to being partly a main dish category.

Growth in many of the traditional deli categories is being

Continued on page 10A

DELI CENSUS

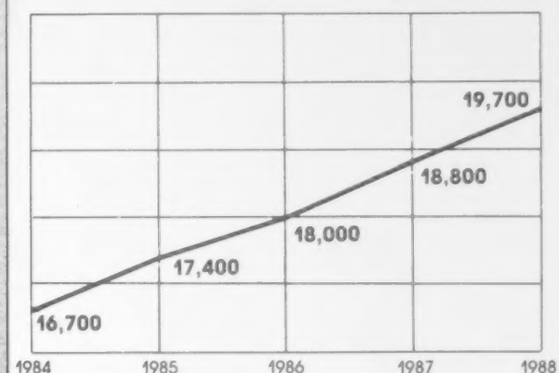
Service delis have gained additional power in the nation's supermarkets by bringing in sales that topped the $9.56 billion mark. There are now delis in almost two out of every three stores.

With sales increasing at a rate of 20.7 percent last year, service delis continued to display the stellar growth that has made them the center of many an operator's marketing strategy.

The gain in annual sales was due to both the addition of 900 new deli units in 1988, and an increase in the sales per unit of over 15 percent. Last year, average deli sales were $9,332.

The gain in deli departments in operation is the largest since this annual review was begun in 1983. The momentum of growth in the deli department has not yet peaked, making it still a vital department to the industry's growth.

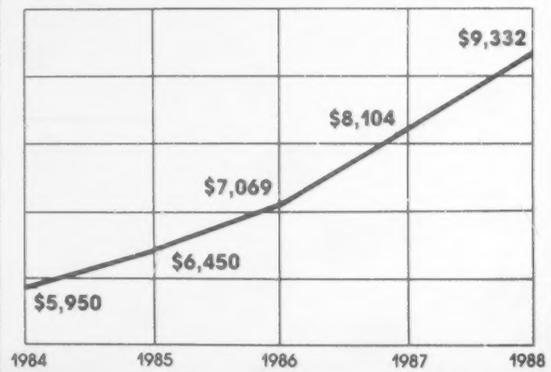
Service Deli Units



Percent of Supermarkets

Annual Sales (billions)

Average Weekly Sales Per Service Deli



DELI SALES, MARGINS & PRODUCT MIX

The deli department now contributes more to the store's bottom line than ever before. If your store has a deli, you can expect that 14 percent of your annual profit will come directly from that deli.

If sales and profits are the name of the game, the game may well be called "Deli." After being flat for the last couple of years, the share of store sales that comes from the deli department rose slightly in 1988 to 4.3 percent.

Keeping pace with the increase in share of store sales was a complementary rise in the percent of store profit coming from the deli, which now accounts for 14.3 percent of store profit. In general, the ratio between the percent of store profit to the share of store sales generated by the deli has been about 3.3 to 1.

With dollar sales being higher for 95 percent of the deli units in operation last year, and average gross margins up to over 44 percent, it's easy to see why the deli is so profitable. The addition of prepared foods to many delis increases the profitability, due to their higher margins (about 53 percent).

Average Weekly Sales

Mean **$9,332** Median **$8,550**

By Store Format

Conventional	**$6,882**
Super Store	**$13,346**
Superwarehouse	**$13,822**

Change in Dollar Sales

(1988 vs. 1987)

Higher	**95%**
No change	**4**
Lower	**1**
Total	**100%**
Average reported increase	**13.5%**

Share of Total Store Sales

Mean **4.3%** Median **3.9%**

By Store Format

Conventional	**4.78%**
Super Store	**3.76**
Superwarehouse	**2.15**

Contribution to Store Profits

Mean **14.3%** Median **15.6%**

Percent of Store Profits

Less than 8.0%	**10%**
8.0–9.9	**13**
10.0–11.9	**21**
12.0–14.9	**31**
15.0 or more	**25**
Total	**100%**

Do You Consider Your Delis

Image/traffic builders	**7%**
Profit centers	**2**
Both	**91**
Total	**100%**

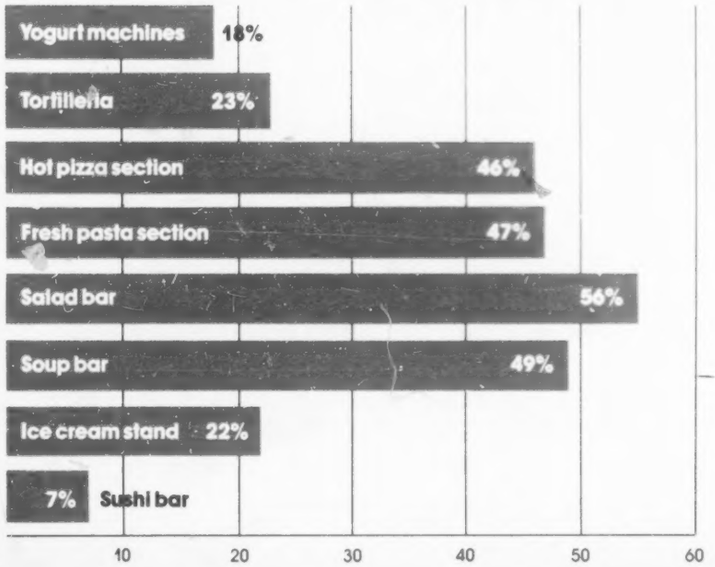
Gross Margin

Mean	**44.6%**
Median	**41.7%**
Less than 35%	**9%**
35–39	**24**
40–44	**36**
45–49	**16**
50 or more	**15**
Total	**100%**

Service Deli Items/ Lines Most Frequently Added or Increased

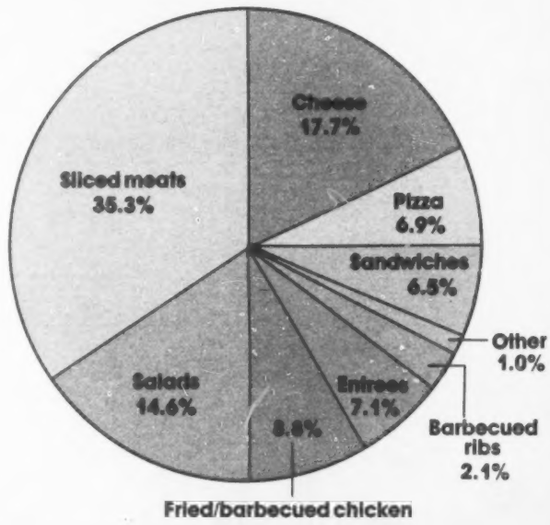
- —Refrigerated entrees
- —Fresh pizza
- —Fresh salads
- —Hot foods
- —Fresh pasta
- —Low-sodium products

Percent of Companies Offering Each Type of Product Section as Part of Service Deli



Portioning Out the Service Deli Sales Dollar

Share of Sales



DELI SPACE, LOCATION & EQUIPMENT

The logic seems to be that if you build bigger stores, put in bigger delis and pack those departments with more and more equipment. Well, so far the logic seems to be working.

If the deli department is now expected to compete with restaurants, specialty shops and caterers, it must be stocked with the type of equipment that will enable it to compete. Retailers are starting to think along those lines. The new equipment coming into the delis tends to be more production-oriented, and no longer just of the type needed to service cold meats and cheeses for the customer.

The average deli is slightly bigger now than it was a year ago. The mean square footage is up to 1,350 feet, with super stores and super warehouses being in the 2,000-sq.-ft. range. Delis took a slightly larger percentage of the total store last year, about 4.1 percent.

The good news is that the weekly sales per square foot for the deli section rose 27 cents in 1988. Each square foot of space given to the deli department will bring in about $6.91 every week on average. If current trends continue, deli sales per square foot should easily break the $7 barrier by the end of this year.

Size of Department

Square Feet of Space

Mean	1,350 Square Feet
Median	1,176 Square Feet

By Store Format

Conventional	990 Sq. Ft
Super Store	2,018 Sq. Ft.
Superwarehouse	1,965 Sq. Ft.

Share of Total Store Space

Mean	4.1%
Median	3.7%

By Store Format

Conventional	4.2%
Super Store	4.9
Superwarehouse	3.3%

The Delibake Concept

Stores Combining Delis and Bakeries into a Joint Delibake Department

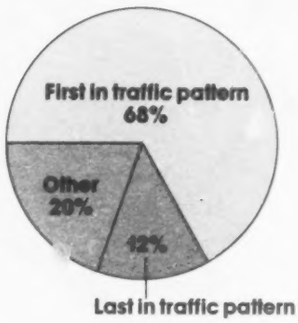
Joint delibake	32%
Separate departments	68
Total	100%

Popularity of Display Case Styles

Percent Likely to Use in Upcoming Installations

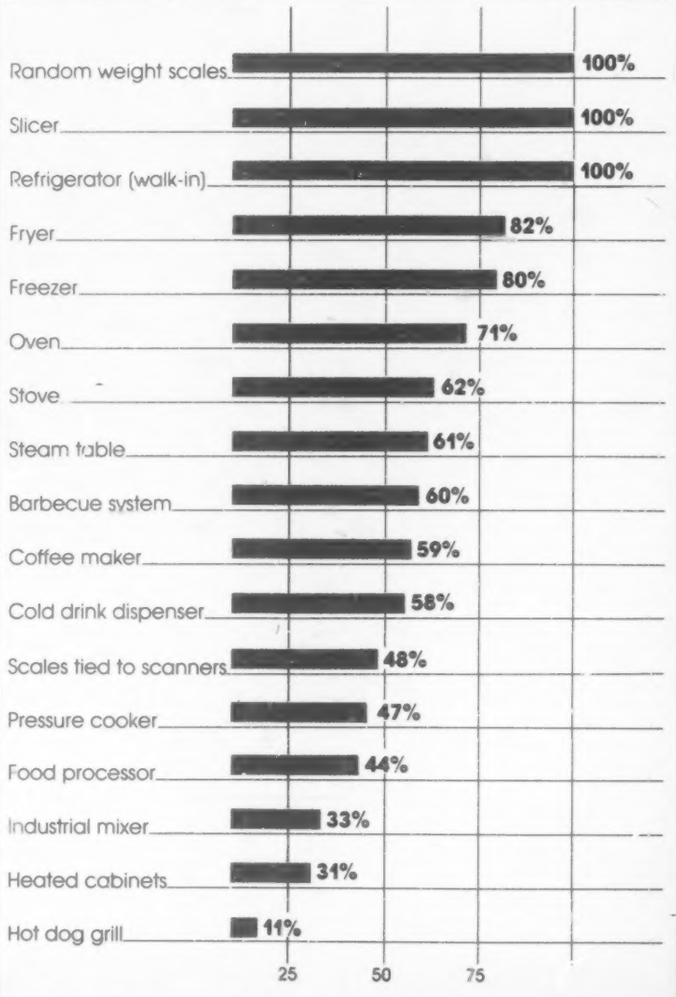
European-style cases	70%
Traditional cases	23
Both	7
Total	100%

Preferred Location for Service Deli



The Well-Equipped Service Deli

Percent of Stores That Have



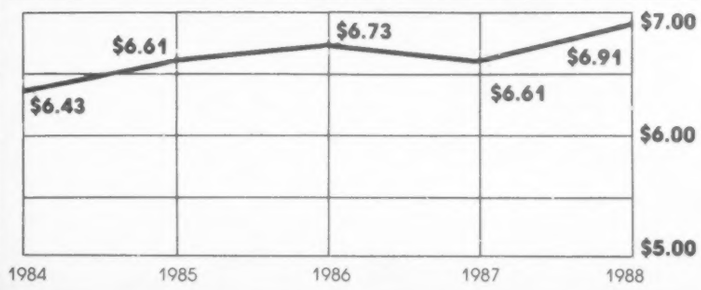
Average Weekly Sales Per Square Foot of Space

Mean	$6.91

By Store Format

Conventional	$6.95
Super Store	6.61
Superwarehouse	7.03

Average Weekly Sales Per Square Foot of Space



DELI LABOR & SERVICE

Labor may soon become the stumbling block to additional growth in the deli section. New deli offerings are becoming increasingly labor intensive, cutting into the sales per employee figures.

In 1988 we began to see just a shadow of a coming trend. While the addition of another full-time equivalent employee did not lower the average weekly sales per employee, it did slow down its growth. Last year the deli section had an average sale of $1,212 per week per employee. This was only slightly higher than the $1,191 each employee brought into the department in 1987.

Luckily, if not somewhat surprisingly, the cost of labor as a percentage of sales actually went down slightly to 22.6 percent. Despite the increased level of prepared foods now offered by the department the percentage given over to labor has not yet begun to rise. The rise in self-service and prepackaged items may well account for low labor costs.

Number of Employees

Full-time	3.6
Part-time	8.2
Full-time Equivalent*	7.7

Full-Time Equivalent Employees

Fewer than 4	7%
4–5	32
6–7	20
8–10	19
11 or more	22
Total	100%

*two part-time = one full-time employee

How Much for Labor

(Labor as a Percent of Service Deli Sales)

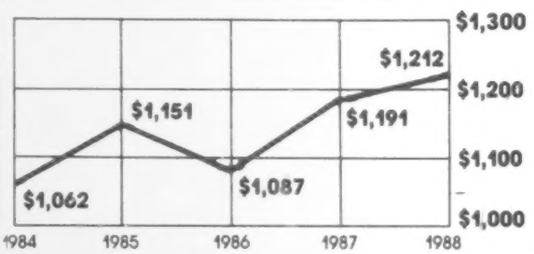
Mean	22.6%
Median	21.4%
10–15%	10%
16–20	29
21–25	34
26–30	19
Over 30	8
Total	100%

Average Weekly Sales Per Employee*

Mean	$1,212
$750 or less	7%
$751–$1,000	18
$1,001–$1,500	44
$1,501–$2,000	23
Over $2,000	8
Total	100%

*Full-time equivalent employees

Average Weekly Sales Per Employee



Special Area for Consuming Foods/Drink From Deli On Premises

Percent of Companies Offering

Have facilities	68%
No facilities	32
Total	100%

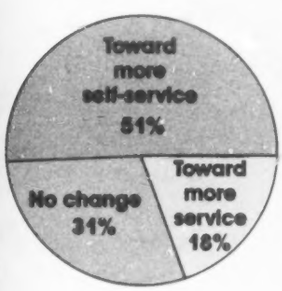
Time for Prep and Service

Breakdown of Labor Hours

Customer service	64%
Other (incl. prep)	36
Total	100%

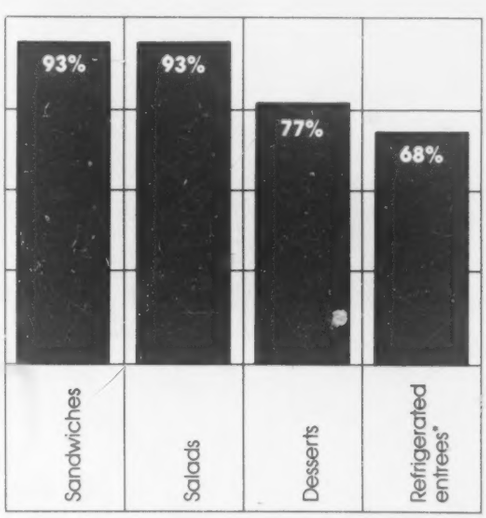
Trends in Service

Direction Deli Directors Expect Their Operations to Move



Offerings of Prepackaged Products in Self-Service Cases

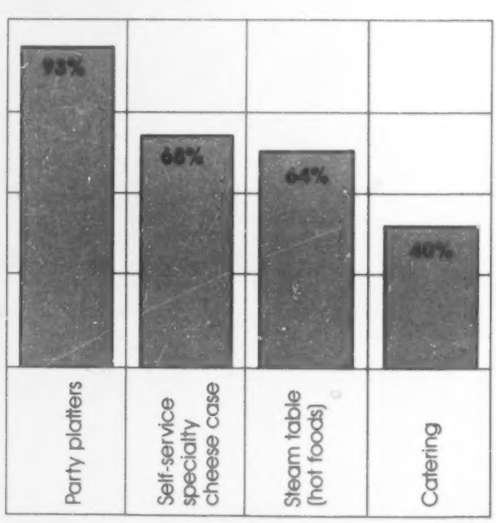
Percent of Stores Offering



*To be heated/microwaved at home

Special Services

Percent of Stores Offering



Continued from page 3A

spurred by new products. Exotic cheeses and formerly ethnic meats are flooding the national scene, increasing sales in both those categories. Health issues have given rise to vast varieties of low-salt cheeses, and low-fat or poultry-based cold cuts. These products have helped to keep sales of cheeses and sliced meats high.

Profits, sweet profits

For a number of years ,SUPERMARKET BUSINESS has reported on efforts to correct the single most frustrating problem facing instore operators. How do you get more store customers to shop the deli? Unfortunately, we have to report that 1988 saw little improvement in that situation. Last year only 19.2 percent of shoppers made a purchase from the deli. This was only up slightly over the 18.9 percent of a year ago—despite the increased use of newspaper (91 percent use), circular (88 percent use), sampling (93 percent use) and point-of-purchase promotions (78 percent use).

Retailers are promoting their departments; 68 percent say they give their delis an equal or larger share of their advertising and promotion budgets than the department's share of store sales. The products offered are more diversified, generally more appealing, and targeted to specific market, lifestyle and dietary needs. However, there still seems to be a significant portion of the consumer population that will not shop the deli.

What makes this so frustrating? After all, many people don't shop the produce department, or the video rental section, or won't go near the HBA shelves. Simply put, *deli is very, very profitable.*

The deli section last year accounted for 4.3 percent of the total store sales of the stores they were located in. This 4.3 percent of sales generated roughly 14.3 percent of the profit of those stores. Once again, 4.1 percent of sales equals 14.3 percent of total profits. If a retailer can raise his deli's share of store sales to 5 percent, for argument's sake, than if we used the same ratio, that deli would account for 15.9 percent of store profits. If the rest of a store's department sales just stayed at the same level, without even increasing, an increase in deli sales would significantly raise the store's bottom line.

Deli sales are so profitable for a number of reasons. First, deli products usually carry margins that are among the highest of any food products in the store. The average gross margin of the deli department last year was 44.6 percent. This is low compared to some of the newer products, such as many of the foodservice-oriented products. Many prepared food products sold through the deli have margins that are in the mid-to-high 50 percent range.

Another contributing factor is labor costs. Last year, an average of 22.6 percent of the sales of the department went to cover labor costs. As service departments go, 22.6 percent is not terribly high for labor. The average department is now operating with an extra worker, having a total of 7.7 full-time equivalent employees. Each employee brings in about $1200 a week in sales.

What keeps the service deli out of trouble in the labor cost sector is self-service. The service deli is becoming both more

DELI PRODUCTION & SUPPLY

There's an old adage in the food business—sometimes it's better to buy it than make it! Many retailers seem to be adhering to that philosophy, turning to foodservice suppliers for many of their deli products.

Whether the product is better when brought in from the outside, or they don't have the facilities, help or the time, operators are increasingly going outside for some of their products.

Sixty-two percent say that they do get prepared foods from foodservice manufacturers, and 58 percent also go to foodservice wholesalers and distributors for some of their products. This balances out nicely with those that produce some products instore, from scratch (55 percent). Smart operators realize that a good balance is needed between instore production and foodservice production.

Commissaries

Percent of Companies Having Company-Operated Commissary From Which Stores Order

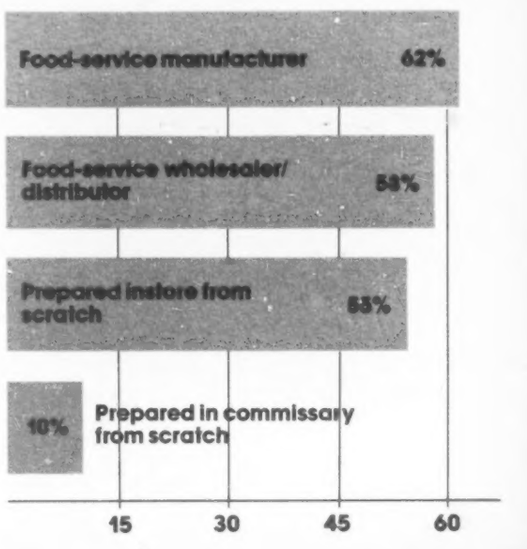
Have commissary	24%
Do not have commissary	76
Total	100%

Main Function of Commissary

Preparation from scratch ingredients	61%
Ordering from food-service suppliers	39
Total	100%

Sources of Service Deli Salads

Percent of Stores Using



service and self-service oriented at the same time. Retailers report that about 51 percent of their operations are moving toward more self-service, while 18 percent are going to more service operations. The other 31 percent will not change their operations significantly.

With more sliced meats and cheeses being prepackaged instore, and more entrees being packaged and refrigerated for self-service, operators are able to save labor costs on some of their most profitable items. What has caused the amount of labor to increase is that many retailers are preparing more products instore.

Two possibilities exist for this preparation not to show up as an increase in labor costs as a percent of sales. The extra labor involved in instore preparation is often offset by increased sales. Secondly, many retailers have not classified labor associated with preparation of food products as a service deli cost.

Therefore, labor costs behind the counter may be going down, while labor costs behind the kitchen wall may be escalating. Look for labor to become more of a factor in deli operations.

In short, 1988 was a pretty good year for supermarket service delis. Sales were up, units were up, square feet were up, promotions were up, new products were up—and labor costs were down. We're selling more, and enjoying it more. Problems still exist in the industry as a whole, and for those individuals who may not be doing as good a job. The level of operational and merchandising sophistication in the deli departments varies greatly from those operators who run small cut cheese and cold-cut departments, to those who operate vast foodservice centers. As the accompanying statistics suggest, either of these operations can be successful and profitable if they are run efficiently, and are appropriate to their market. ■

DELI MERCHANDISING & CUSTOMERS

The good news is that the average customer transaction is up! The bad news is that the average percentage of store customers shopping the deli isn't! Despite the average transaction amount of each purchase increasing to $3.50, delis still have problems attracting more than 20 percent of store shoppers.

With only 19.2 percent of store customers making a purchase from the deli, the operators are still faced with their traditional frustration—how to get more of their customers to shop the deli department. Given the high margin, and profits of the deli, retailers would love to get as many customers into the department as possible.

Most retailers have used almost every type of advertising and promotion method to lure customers to the department. About 68 percent say that the share of advertising and promotion support given to the department is equal to, or more than the share of, store sales the department generates.

One solution that retailers are turning to is increased promotional and advertising support from deli suppliers.

How Customers Spend

Percent Who Shop the Deli

Mean **19.2%** Median **17.4%**

How Much They Spend

Mean $3.50

Under $2.00	8%
$2.00–$2.99	28
$3.00–$3.99	32
$4.00–$5.99	22
$6.00 or more	10
Total	100%

Advertising and Promotion Sell Service Deli

	Percent Using
Sampling	93%
Newspapers	91
Point-of-Purchase	88
Circulars	78
Radio	51
Television	33

Delis' Share of Ad Space Compared to Share of Sales

Greater	32%
Less	32
Equal	36
Total	100%

How Retailers Rate the Promotion and Advertising Help from Deli Suppliers

Excellent	18%
Good	42
Fair	33
Poor	7
Total	100%

Where Retailers Need More or Better Quality Help from Deli Suppliers

	Companies Wanting More Help	Companies Wanting Better Help
Instore demos	68%	53%
Point-of-purchase materials	53%	22%
Deli coupons	64%	20%
Ad allowances	80%	29%

GENERAL MERCHANDISE

AUTO SUPPLIES (BASE = ADULTS)	PERCENT WHO USE (1988)	USE BY AGE (VS. AVERAGE) BY PERCENTAGE 18-24	25-34	35-44	45-54	55-64	65+	GROWTH IN USERS (VS. 1988, IN PCT.) 1995	2000	
Anti-Freeze (HU)*	18.0	– 6	– 2	+12	+18	+13	–32	+6.2	+11.4	○
Motor Oil (HU)	21.6	– 8	+ 7	+12	+21	+ 1	–33	+6.2	+11.0	○
Motor Oil Additives	12.1	+ 1	+ 1	+ 2	+ 2	+ 2	– 8	+5.4	+ 9.9	○
Gasoline Additives	14.6	—	+16	+ 9	—	– 8	–27	+5.1	+ 9.0	●
Car Wax/Polish (HU)	8.8	+35	+13	+18	–23	–18	–41	+3.7	+ 6.9	●

*(HU) = Heavy Users

1988-2000
Avg. Category Growth: +9.6%
Base Group Growth: +10.4%
The important motor oil and anti-freeze categories promise to hold their own over the decade, with growth in users approximating that in population.

Prospects are dimmer for car wax and polish, a category that seems to lose its luster with age (the car owner's age, that is).

GENERAL MERCHANDISE (BASE = ADULTS)	PERCENT WHO USE (1988)	USE BY AGE (VS. AVERAGE) BY PERCENTAGE 18-24	25-34	35-44	45-54	55-64	65+	GROWTH IN USERS (VS. 1988, IN PCT.) 1995	2000	
Indoor Plant Food[1]	29.2	–36	–16	– 6	+21	+20	+14	+9.0	+15.0	●
Greeting Cards (HU)*	24.9	–26	–10	– 7	+13	+18	+24	+6.7	+12.1	◐
Batteries[1] (HU)	21.1	–32	+21	+55	+ 9	–22	–62	+8.9	+12.9	○
Removable Self-Stick Notes[1]	18.3	–13	+22	+29	+19	–14	–59	+8.2	+12.4	○
Writing Instruments (HU)	5.3	–12	+10	+41	+10	– 8	–54	+6.5	+10.9	○
Pantyhose[2]	66.4	+ 1	+ 8	+12	+12	– 4	–30	+5.4	+ 9.7	○
Books (HU)	16.1	–19	+28	+19	+13	–19	–42	+5.9	+ 9.6	○
Video Tapes, Bought (HU)	9.7	–11	+27	+32	+19	–23	–65	+5.6	+ 9.5	○
Film (HU)	21.6	+ 3	+22	+19	+10	–14	–56	+5.1	+ 9.1	●
Video Tapes, Rented (HU)	7.8	+22	+31	+46	+12	–55	–88	+5.4	+ 8.6	●
Watches, Bought	20.6	+23	+23	– 8	– 1	–26	–48	+4.1	+ 7.5	●
Blank Audio Tape/Cassette	17.1	+38	+23	+29	– 6	–37	–72	+4.1	+ 7.3	●
Prerecorded Audio Tape/Cassette	17.3	+30	+31	+32	– 5	–45	–74	+4.2	+ 7.1	●

[1]Female Homemakers [2]Women *(HU) = Heavy Users

1988-2000
Avg. Category Growth: +10.5%
Base Group Growth: +10.4%
The number of heavy users of greeting cards (bought eight or more cards in the last 30 days) is projected to increase by 12.1% between 1988 and 2000. Much of this growth can be attributed to an upsurge in the number of greeting card loyalists 55 and over. Recognizing the implications of this major demographic realignment, Ambassador is introducing a "Young At Heart" line described by the company as "the first card line for today's 55+ market." Such demographic targeting for the future is a concept that seems certain to spread.

Both blank and prerecorded audio tapes and cassettes are bought predominantly by adults under 35. As the number of young adults contracts over the next decade, these tapes will feel a dampening effect. Rental of video tapes is a relatively new habit of young adults, and the degree to which they will replay this habit as they grow older remains to be seen.

HEALTH AND BEAUTY AIDS

BABY/CHILDREN'S HBA (BASE = FEMALE HOMEMAKERS)	PERCENT WHO USE (1988)	USE BY AGE (VS. AVERAGE) BY PERCENTAGE 18-24	25-34	35-44	45-54	55-64	65+	GROWTH IN USERS (VS. 1988, IN PCT.) 1995	2000	
Baby Oil	22.4	+60	+49	—	–17	–42	–51	+4.5	+6.4	●
Baby Powder	27.4	+67	+48	– 6	–22	–36	–48	+4.0	+5.9	●
Teething Remedies	9.2	+127	+58	[illegible]	–32	–33	–47	+1.5	+4.5	●
Baby Shampoo	16.8	+76	+91	[illegible]	–36	–53	–71	+2.4	+2.8	●
Baby Lotion	13.0	+105	+70	–20	–48	–34	–61	+1.3	+1.7	●

1988-2000
Avg. Category Growth: +1.7%
Base Group Growth: +12.1%
As go baby foods, so go baby (and children's) health and beauty aids. For all 13 categories shown here the forecast for growth in users is a universal c-o-l-d.

GROWTH IN USERS, 1988-2000

● HOT ◉ WARM ○ AVERAGE ● COOL ● COLD

Continued on page 64

Source: Mediamark Research, Inc.

WHAT'S HOT, WHAT'S NOT

BABY/CHILDREN'S HBA (BASE = FEMALE HOMEMAKERS)	PERCENT WHO USE (1988)	USE BY AGE (VS. AVERAGE) BY PERCENTAGE 18-24	25-34	35-44	45-54	55-64	65+	GROWTH IN USERS (VS. 1988, IN PCT.) 1995	2000	
Pain Relievers/Fever Reducers, Children's	25.1	+36	+100	+24	−54	−70	−83	+2.8	+1.6	●
Children's Cough Syrup	15.9	−40	+104	+26	−57	−71	−89	+2.5	+1.1	●
Children's Cold Tablets/Liquids	16.1	+37	+103	+34	−60	−72	−92	+2.6	+1.1	●
Vitamins, Children's	15.9	−46	+111	+25	−63	−76	−92	+2.0	+0.8	●
Baby Ointments	11.9	+96	+92	−24	−48	−55	−65	+0.9	+0.3	●
Soap, Baby's	9.3	+117	+90	−38	−46	−44	−69	+0.1	−0.2	●
Liquid Baby Bath	6.2	+162	+81	−29	−46	−55	−80	−0.1	−0.3	●
Baby Nursers	5.8	+176	+108	−56	−52	−65	−80	−1.9	−3.3	●

The two categories with the brightest outlook—baby oil and powder—share a common characteristic. Both have found a welcome outside baby's room in adult medicine chests. Among the mostly babyless 45-to-54s (whose number will grow by 55.1% between now and 2000), 18.6% use baby oil and 21.3% use baby powder. Aware of this, many stores already award these products a second location away from the baby HBA section.

COSMETICS (BASE = WOMEN)	PERCENT WHO USE (1988)	USE BY AGE (VS. AVERAGE) BY PERCENTAGE 18-24	25-34	35-44	45-54	55-64	65+	GROWTH IN USERS (VS. 1988, IN PCT.) 1995	2000	
Lipstick/Lip Gloss (HU)*	25.8	−26	−20	+ 3	+40	+23	− 1	+7.6	+13.8	●
Face Creams/Lotions (HU)	4.1	−44	−26	−28	+19	+48	+51	+7.1	+13.3	●
Facial Toners	27.6	− 3	+ 3	+10	+19	− 5	−21	+5.9	+10.6	○
Foundation Makeup (HU)	8.7	+12	− 3	− 3	+21	− 8	−12	+5.6	+10.5	○
Pressed Powder (HU)	21.9	+14	−20	−15	+ 2	+ 5	+25	+5.5	+10.5	○
Perfume/Cologne (HU)	19.9	+ 3	—	− 4	+16	+ 1	−11	+5.5	+10.2	○
Facial Cleansers (HU)	10.2	+ 6	+ 2	+20	− 2	−21	−11	+5.6	+ 9.6	○
Nail Polish Remover (HU)	9.2	+ 6	+24	+ 1	+14	−45	−13	+5.3	+ 8.7	◐
Loose Face Powder (HU)	4.1	+74	−38	−41	−18	−11	+51	+3.7	+ 8.6	◐
Complexion Care Products (HU)	10.2	+22	+ 9	+18	− 8	−16	−31	+4.5	+ 8.2	◐
Nail Polish (HU)	9.1	+ 6	+28	− 7	+ 1	−21	−20	+4.2	+ 7.5	●
Eye Liner (HU)	6.4	+82	+13	+12	+11	−49	−69	+3.3	+ 6.9	●
Eye Shadow (HU)	11.5	+49	+21	+22	− 3	−30	−66	+3.4	+ 6.7	●
Blusher (HU)	11.9	+40	+25	− 6	—	−28	−40	+3.3	+ 6.5	●
Mascara (HU)	7.0	+51	+40	− 5	+ 9	−40	−67	+2.7	+ 5.5	●

*(HU) = Heavy Users

1988-2000
Avg. Category Growth: +9.1%
Base Group Growth: +10.3%
By the year 2000 there will be 8.3% fewer woman aged 18 to 24 and 16.6% fewer aged 25 to 34. Small wonder then that a product sector that relies so greatly on these groups appears to have a relatively blotchy future.

Five categories cluster at the bottom of the list with cold forecasts. Typical is blusher, with 16.6% of younger adults describing themselves as heavy users (seven or more times a week). The rate is less than half that among women 55 or older. Categories like this seem doomed to below-average growth rates unless they expand their constituencies to include more older women.

But there are some brighter spots on the face of cosmetics' future. Both lipstick and lip gloss as well as face creams and lotions shape up as hot categories in the '90s, as over-45s seek out both skin maintenance and appearance enhancement in their own style.

FIRST AID/SKIN CARE (BASE = ADULTS)	PERCENT WHO USE (1988)	USE BY AGE (VS. AVERAGE) BY PERCENTAGE 18-24	25-34	35-44	45-54	55-64	65+	GROWTH IN USERS (VS. 1988, IN PCT.) 1995	2000	
Athlete's Foot Remedies (HU)*	3.8	− 1	− 4	−21	+43	+ 9	−11	+6.3	+12.1	◑
Wart/Corn Removers	6.5	−29	− 9	−23	+14	+18	+42	+6.6	+11.9	◑

1988-2000
Avg. Category Growth: +9.3%
Base Group Growth: +10.4%
Heavy usage of athlete's foot remedies peaks with the 45-to-54 group, whose membership will swell by 54.6% between 1988 and 2000, thereby helping to escalate its sales prospects.

GROWTH IN USERS, 1988-2000

● HOT ◑ WARM ○ AVERAGE ● COOL ● COLD

Continued on page 68

Source: Mediamark Research, Inc.

WHAT'S HOT, WHAT'S NOT

FIRST AID/SKIN CARE (BASE = ADULTS)	PERCENT WHO USE (1988)	USE BY AGE (VS. AVERAGE) BY PERCENTAGE 18-24	25-34	35-44	45-54	55-64	65+	GROWTH IN USERS (VS. 1988, IN PCT.) 1995	2000	
Body Powder (HU)	8.3	– 1	–15	–33	+ 6	+36	+29	+5.2	+10.7	○
Adhesive Bandages (HU)	16.1	–11	–10	–13	– 7	+25	+27	+5.4	+10.3	○
Cotton Swabs (HU)**	23.4	+25	+39	+15	+ 1	–35	–55	+6.3	+ 9.2	●
First Aid Products (HU)	3.6	– 6	+ 7	– 5	– 7	–10	+14	+5.3	+ 9.2	●
Lip Balm (HU)	10.2	+33	+18	–11	—	–20	–31	+3.7	+ 7.3	●
Sunburn Remedies (HU)	3.2	+77	– 1	– 7	–12	–23	–38	+2.8	+ 6.7	●
Suntan/Sunscreen Products (HU)	10.7	+38	+21	– 7	– 9	–21	–37	+3.3	+ 6.6	●

*(HU) = Heavy Users **Female Homemakers

Categories dependent on young adults dominate the bottom of the growth list, as fewer young adults will be on the scene to shop for them in 2000. (The number of adults 18-to-24 and 25-to-34 will shrink by 8.2% and 16.2%, respectively.) These trends cast a shadow over the prospects for lip balm, sunburn remedies and sunscreens. Putting demographics aside, however, the general trend toward better skin care among adults of all ages should more than counteract the drag from changing age distribution.

HAIR CARE, MEN'S (BASE = MEN)	PERCENT WHO USE (1988)	USE BY AGE (VS. AVERAGE) BY PERCENTAGE 18-24	25-34	35-44	45-54	55-64	65+	GROWTH IN USERS (VS. 1988, IN PCT.) 1995	2000	
Hair Tonic/Dressing	17.6	–39	–50	–18	+12	+70	+88	+8.0	+15.3	●
Hair Coloring Products	6.9	–40	–29	–23	+32	+46	+59	+8.1	+15.0	●
Hair Spray (HU)*	4.3	–14	–19	+ 7	+37	+33	–26	+7.6	+14.4	●
Hair Conditioning Treatment	7.3	–11	+11	+ 8	–11	– 1	– 6	+5.5	+ 9.4	●
Shampoo (HU)	54.0	+38	+28	+10	–15	–37	–62	+3.5	+ 6.3	●
Hair Conditioners (HU)	22.1	+57	+25	—	–19	–39	–58	+2.7	+ 5.5	●
Hair Mousse (HU)	6.0	+74	+26	– 4	–12	–58	–65	+2.5	+ 5.3	●

*(HU) = Heavy Users

1988-2000
Avg. Category Growth: +10.2%
Base Group Growth: +10.6%
By the year 2000 there will be 8.0% fewer men 18-to-24 and 15.7% fewer 25-to-34, a trend destined to suppress the sales rate for men's hair care products that are excessively dependent on these groups as buyers and users. This explains why shampoo, hair conditioners and hair mousse are all rated as cold prospects for growth.

Older gentlemen—a group that will increase in number—prefer hair tonics and dressings as well as hair coloring, so both will do well in the '90s.

HAIR CARE, WOMEN'S (BASE = WOMEN)	PERCENT WHO USE (1988)	USE BY AGE (VS. AVERAGE) BY PERCENTAGE 18-24	25-34	35-44	45-54	55-64	65+	GROWTH IN USERS (VS. 1988, IN PCT.) 1995	2000	
Hair Coloring Products (HU)*	5.9	–11	–57	–24	+15	+24	+80	+7.8	+14.5	●
Home Permanents	18.8	+ 1	– 7	+12	+18	–18	– 3	+6.5	+11.3	○
Depilatories (HU)	5.8	+28	–11	–36	+ 4	+16	+12	+4.3	+ 9.2	●
Hair Conditioning Treatment	17.5	+26	+14	– 3	– 7	–18	–20	+3.9	+ 7.4	●
Hair Spray (HU)	10.9	+66	– 8	+ 1	–15	– 3	–32	+3.1	+ 7.3	●
Hair Care Accessories (HU)	40.3	+50	+30	+14	–10	–40	–58	+3.0	+ 5.6	●
Hair Mousse (HU)	11.0	+48	+39	+23	–14	–57	–66	+3.0	+ 5.0	●
Hair Conditioners (HU)	33.5	+64	+35	+ 7	–14	–48	–62	+2.3	+ 4.6	●
Shampoo (HU)	41.8	+62	+37	+14	–21	–44	–67	+2.1	+ 4.2	●
Hair Styling Gels/Lotions (HU)	8.3	+99	+34	+ 2	–29	–54	–69	+0.8	+ 2.7	●

*(HU) = Heavy Users

1988-2000
Avg. Category Growth: +7.2%
Base Group Growth: +10.3%
The women's hair care section will show lower average growth in the '90s than either cosmetics or miscellaneous women's HBA. For mainstays of the category, such as shampoo and hair conditioners, there is a toboggan slide downward from extremely high usage between the ages of 18 and 24 to only scant usage in the senior years. As the supply of young women contracts in the next decade, so too will the pool of potential users.

The picture assumes a brighter hue for the category that traditionally taps and tops the over 65s—hair coloring products. Even looking beyond the year 2000, the hair coloring potential can be described as, well, golden.

GROWTH IN USERS, 1988-2000

● HOT ◉ WARM ○ AVERAGE ● COOL ● COLD

Continued on page 70

Source: Mediamark Research, Inc.

WHAT'S HOT, WHAT'S NOT

MISC. WOMEN'S HBA (BASE = WOMEN)	PERCENT WHO USE (1988)	USE BY AGE (VS. AVERAGE) BY PERCENTAGE 18-24	25-34	35-44	45-54	55-64	65+	GROWTH IN USERS (VS. 1988, IN PCT.) 1995	2000	
Deodorants-Colognes/Body Sprays (HU)*	5.2	+ 9	−22	−18	+42	+ 8	+ 4	+6.6	+12.7	●
Feminine Hygiene Deodorant Sprays (HU)	4.0	—	−27	+ 8	+18	−11	+22	+7.3	+12.7	●
Hand/Body Cream/Liquid/ Oil (HU)	33.7	−22	− 2	− 3	+13	+17	+ 2	+6.1	+11.0	○
Feminine Hygiene Douches/ Suppositories (HU)	4.9	+ 5	+ 2	+ 2	+24	−42	+ 6	+6.5	+10.9	○
Personal Care Soaps, Liquid (HU)	18.9	−41	+ 8	+ 2	+10	+ 8	+ 9	+6.4	+10.9	○
Personal Care Soaps, Bar (HU)	29.6	−11	− 7	+ 1	+ 8	+27	− 7	+5.7	+10.8	○
Medicated Skin Ointment (HU)	7.2	−10	−10	+11	−12	− 7	+25	+6.1	+10.3	○
Bath/Shower Additives (HU)	12.7	−10	− 9	−21	− 3	+ 5	+39	+5.6	+10.2	○
Deodorant/Antiperspirant (HU)	5.3	+22	− 2	−13	− 7	+ 2	+ 1	+4.2	+ 8.4	●
Razor Blades	22.5	+ 4	+18	+ 6	− 7	− 3	−26	+4.3	+ 8.2	●
Shaving Cream/Gel	24.6	+13	+16	+12	− 2	− 3	−41	+4.3	+ 8.0	●
Sanitary Napkins (HU)	19.0	+14	+43	+55	− 4	−62	−77	+4.7	+ 6.9	●
Disposable Razors (HU)	17.5	+45	+32	+ 5	−19	−35	−46	+2.6	+ 5.1	●
Tampons (HU)	9.5	+33	+68	+50	−19	−87	−90	+3.0	+ 3.8	●
Premenstrual or Period Pain Remedies	15.7	+110	+40	+25	−33	−79	−89	+0.8	+ 2.1	●

*(HU) = Heavy Users

1988-2000
Avg. Category Growth: + 8.8%
Base Group Growth: + 10.3%
Because most women's HBA products receive disproportionately heavy use from younger women, many categories face restrained growth rates as that pool of younger women dries up somewhat during the '90s. Feminine hygiene products will be most affected, with sanitary napkins, tampons and premenstrual or period pain remedies all crowding near the bottom of the list with cold forecasts.

Many observers see skin care products as outstanding candidates for growth in the next decade as the population ages. Potions for the hands and body (*Note:* See Cosmetics for face creams) find most favor among those 45-to-64, with over 65s close to average. More conversions of women at both ends of the spectrum to skin care awareness could elevate the proportion of the population qualifying as heavy users above the 11.0% growth rate shown here.

Shaving products such as blades and creams will sustain below-average growth for the reasons outlined above for feminine hygiene products.

ORAL HBA (BASE = ADULTS)	PERCENT WHO USE (1988)	USE BY AGE (VS. AVERAGE) BY PERCENTAGE 18-24	25-34	35-44	45-54	55-64	65+	GROWTH IN USERS (VS. 1988, IN PCT.) 1995	2000	
Denture Cleaners	16.6	−87	−81	−48	+23	+101	+166	+10.1	+18.8	●
Denture Adhesives/Fixatives	6.1	−77	−75	−44	+37	+106	+125	+ 9.8	+17.9	●
Mouthwash (HU)*	14.5	−22	−21	− 9	+18	+11	+40	+ 7.3	+13.0	●
Dental Floss (HU)	9.9	−19	+13	+ 4	+13	− 6	−13	+ 6.1	+10.4	○
Toothbrushes (HU)	18.5	—	+10	+18	—	−13	−25	+5.5	+ 9.5	○
Toothache/Gum/Canker Sore Remedies (HU)	2.5	+14	− 7	+ 4	−39	− 1	+24	+4.4	+ 8.0	○
Toothpaste (HU)	18.2	+12	+18	+ 1	− 6	−14	−25	+4.4	+ 7.9	●
Tooth Polish	10.1	+24	+11	− 5	− 6	−16	−16	+3.8	+ 7.4	●
Dental Rinse	10.7	+23	+18	− 3	−11	−18	−23	+3.9	+ 7.2	●
Breath Fresheners (HU)	11.1	+32	+13	− 6	−11	−12	−25	+3.6	+ 7.2	●

*(HU) = Heavy Users

1988-2000
Avg. Category Growth: + 10.7%
Base Group Growth: + 10.4%
As researchers continue to develop ways to keep our teeth in our heads and our bottoms out of dentists' chairs, the forecasts shown here are subject to modulation. The two top gainers based on current usage patterns and demographic forecasts, for example, are denture cleaners and adhesives and fixatives. At present cleaners are used by 43.9% of adults over age 65. If that usage rate drops even as the number of seniors increases, these products may be due for a peak followed by a long-term downturn.

REMEDIES/MISC. HBA (BASE = ADULTS)	PERCENT WHO USE (1988)	USE BY AGE (VS. AVERAGE) BY PERCENTAGE 18-24	25-34	35-44	45-54	55-64	65+	GROWTH IN USERS (VS. 1988, IN PCT.) 1995	2000	
Hemorrhoid Remedies (HU)*	3.1	−49	−40	− 8	+27	+31	+72	+8.9	+15.7	●

1988-2000
Avg. Category Growth: + 11.3%
Base Group Growth: + 10.4%

GROWTH IN USERS, 1988-2000

● HOT ◔ WARM ○ AVERAGE ● COOL ● COLD

Continued on page 72

Source: Mediamark Research, Inc.

WHAT'S HOT, WHAT'S NOT

REMEDIES/MISC. HBA (BASE = ADULTS)	PERCENT WHO USE (1988)	USE BY AGE (VS. AVERAGE) BY PERCENTAGE 18-24	25-34	35-44	45-54	55-64	65+	GROWTH IN USERS (VS. 1988, IN PCT.) 1995	2000	
Laxatives (HU)	4.7	−65	−45	−50	+ 8	+37	+156	+8.5	+14.9	●
Indigestion Aids/Upset Stomach Remedies (HU)	13.4	−50	−30	−11	+12	+33	+71	+8.0	+14.2	●
Vitamin Tablets/Capsules/ Liquids (HU)	4.8	−49	−37	−19	+ 3	+74	+64	+7.2	+13.8	●
Medicated Throat Remedies (HU)	4.3	− 8	−23	− 9	+16	+ 6	+34	+6.9	+12.5	●
Pain Relieving Rubs/Liquids (HU)	8.2	−39	−29	−28	−16	+34	+101	+6.7	+12.0	○
Headache Remedies/Pain Relievers (HU)	34.1	−22	−12	− 6	+ 8	+13	+30	+6.6	+11.9	○
Nasal Sprays (HU)	3.7	+15	−18	+ 8	+ 5	−25	+20	+6.4	+11.3	○
Sleeping Tablets	3.8	−25	− 5	+ 7	− 3	− 4	+30	+6.7	+11.2	○
Groin Irritation Remedies	2.7	+ 6	−15	+ 1	− 8	+ 7	+17	+5.7	+10.5	○
Cold/Sinus/Allergy Remedies (HU)	13.4	+ 2	− 1	+19	− 4	− 4	−16	+5.7	+10.1	○
Cough Syrup (HU)	7.6	−13	+12	− 5	+ 8	−15	+ 6	+5.8	+ 9.9	○
Diarrhea Remedies	19.6	− 9	+ 2	− 5	−13	+ 2	+21	+5.2	+ 9.3	●
Asthma Relief Remedies (HU)	2.4	− 5	+ 8	−10	−13	+10	+ 6	+4.7	+ 8.6	●
Eye Wash/Drops (HU)	9.3	− 1	+ 1	−30	−21	−11	+62	+4.7	+ 8.4	●
Diet Pills	4.9	+31	+32	+21	−24	−31	−59	+3.3	+ 5.8	●

*(HU) = Heavy Users

The remedies section of HBA departments are poised to outperform all other HBA sections on the basis of their promising demographics. Fourteen of the 16 categories presented here demonstrate above-average usage patterns among those 65 and over. For most of those rated warm or hot, usage is also high among 45-to-54s and 55-to-64s.

Laxatives show a classic staircase pattern from the youngest up to the oldest classifications of adults, with only 1.6% of those 18-to-24 defined as heavy users (four times or more in the last 30 days) as contrasted with 12.0% of those 65 and over.

The fast-growing (through 2000) 45-to-54 classification is below average in incidence of use of diarrhea remedies, asthma remedies, eye drops and diet pills, helping to explain their showing at the bottom of the growth rankings.

SKIN CARE/ SHAVING, MEN'S (BASE = MEN)	PERCENT WHO USE (1988)	USE BY AGE (VS. AVERAGE) BY PERCENTAGE 18-24	25-34	35-44	45-54	55-64	65+	GROWTH IN USERS (VS. 1988, IN PCT.) 1995	2000	
Personal Care Soaps, Liquid (HU)*	11.3	− 6	−20	+15	+ 4	+ 3	+17	+7.0	+12.4	○
Pre-Electric Shave Lotion	10.4	−20	−39	−19	−17	+34	+108	+6.6	+12.3	○
Personal Care Soaps, Bar (HU)	28.3	−18	− 7	− 6	+10	+21	+14	+6.4	+11.8	○
Hand/Body Cream/Liquid/Oil (HU)	13.6	−11	−10	− 8	+ 6	+12	+25	+6.3	+11.5	○
Facial Toners	7.8	−17	−14	+ 1	—	+30	+16	+6.1	+11.5	○
Medicated Skin Ointment (HU)	5.1	−25	− 5	+ 8	− 6	+ 4	+29	+6.6	+11.3	○
Disposable Razors (HU)	31.5	+ 1	+ 1	+ 9	+10	− 5	−20	+6.1	+10.9	○
Razor Blades	38.8	+ 2	− 4	+ 6	− 1	+11	−13	+5.7	+10.6	○
Aftershave Lotion/Cologne (HU)	13.0	+11	—	+ 7	+ 7	+11	−40	+5.4	+10.5	○
Shaving Cream/Gel	62.0	+ 7	+ 2	+ 6	− 1	− 4	−16	+5.3	+ 9.8	○
Facial Cleansers	16.7	+24	−10	− 6	−18	+ 5	+11	+4.5	+ 9.0	●
Deodorants/Antiperspirants (HU)	4.9	+25	+10	−30	+17	+18	−39	+4.1	+ 9.0	●
Complexion Care Products	18.9	+55	+13	− 9	−33	−35	−13	+2.6	+ 5.4	●

*(HU) = Heavy Users

1988-2000
Avg. Category Growth: + 10.5%
Base Group Growth: + 10.6%
The three categories relating to wet shaving all will experience steady growth in the '90s: disposable razors (with an increase in heavy users of 10.9%), blades (+ 10.6%) and shaving creams and gels (+ 9.8%). Because of the high allegiance of men over age 65, pre-electric shave lotion will do even better (+ 12.3%).

Both liquid and bar soaps will benefit from the changing age distribution of the male population.

Slowest growth will come from products with a strong dependence on young men to make purchases. Complexion care products will add only 5.4% more users over the next decade, as fewer young faces are around to require their curative assistance.

GROWTH IN USERS, 1988-2000

● HOT ○ WARM ○ AVERAGE ● COOL ● COLD

Source: Mediamark Research, Inc.